

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MARCH 31, 2015**

A. Call to Order / Roll Call

The Special City Council meeting of March 31, 2015, held at Hutchins Street Square, 125 South Hutchins Street, Lodi, was called to order by Mayor Johnson at 6:01 p.m.

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

Absent: None

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

NOTE: Council Member Kuehne left the meeting at 6:33 p.m.; Council Member Nakanishi left the meeting at 8:10 p.m.

B. Topic(s)

B-1 City Council Goal Setting (CM)

City Manager Schwabauer provided a PowerPoint presentation regarding City Council goal setting. Specific topics of discussion included the City's mission statement, existing major goals and objectives, and available resources.

Council Member Nakanishi stated he would like to see the City's mission statement include the City's desire to provide courteous, efficient service to its citizens.

Council Member Mounce expressed concern that the City's mission and goals do not address the separation of east and west side, stating that the City should provide equal service to all citizens of this community. Additionally, she believed the objective to provide open access to public meetings is not currently being met because notices and information are not posted in other languages or at locations that would provide the best outreach to other cultures.

Mr. Schwabauer stated that staff would bring back the comments at a later meeting to adopt changes to the existing goals.

In response to Council Member Mounce, Mr. Schwabauer stated that staff is currently in negotiations with all of the unions and it is possible that all or some portion of the available funding could be spent on labor issues. He explained that one priority may be to address the employees who have contributed to the City's success in surviving the recession by taking pay cuts.

Each department and Council Member described their top goals and priorities, as set forth in the staff report and PowerPoint. Additional discussion and questions occurred as shown below.

City Clerk

In response to Council Member Kuehne, City Clerk Ferraiolo graded the current e-Records system as mediocre due to its age and unreliability and further expressed her hope that a new system would be more technologically advanced and dependable.

In response to Mayor Johnson, Ms. Ferraiolo stated that the option to address the issue on a Citywide basis by updating the City's website and customizing a records management program would involve the Information Technology Division, as well as buy-in from City departments.

Council Member Mounce concurred that the City's website needs to be improved and that the e-Records system should be more user-friendly, as documents are often difficult to locate.

Mr. Schwabauer added that, at this time, staff is not asking for a decision between the two options and there is more research needed to see which direction makes the most sense.

#### Council Member Nakanishi

Council Member Nakanishi outlined his goals, which were not originally included in the staff report or PowerPoint, stating that he shares the same goals as his fellow Council Members. He expressed that the areas of jobs, sales tax, and income tax are important, and his primary goals would be safe streets and schools; gang suppression via the California Gang Reduction, Intervention and Prevention Program; the browned-out Fire Engine No. 1; park maintenance; and economic development.

#### Community Development

In response to Council Member Mounce, Mr. Schwabauer explained that the request for a second gang intervention worker comes from the Community Development Department, versus the Police Department, because it operates the Community Development Block Grant program and houses that employee. He stated that many cities find that this position does not belong in the Police Department, as it can be mistakenly viewed as a narcotics agent.

In response to Mayor Johnson, Mr. Schwabauer stated that the request for an additional inspector position would be added as an authorized position; however, it would not be filled unless the level of permits increased significantly. Developers count on speed to get inspections scheduled and finalized in a timely manner, and staff would like the ability to bring in a second position, likely on a contract basis, when the need arises.

In response to Mayor Johnson, Mr. Schwabauer stated that the Reynolds Ranch annexation, as an example, included a requirement in the application that the developer fund the cost of environmental studies and all of the work to make the annexation possible. In further response, Mr. Schwabauer stated that there are likely 10 times more property owners in the future industrial annexation than there were for either Reynolds Ranch or the Southwest/Gateway annexations and that anywhere between 500 and 1,000 acres could be annexed into the City.

#### Economic Development

In response to Council Member Mounce, Business Development Manager Adam Brucker stated that Worknet has training programs and that staff is providing this information to General Mills employees. Ms. Mounce suggested that apprenticeship and trade programs be shared with them as well and stated she has contact information that she could share with staff.

In response to Mayor Johnson, Mr. Brucker stated that Worknet is working with General Mills to plan a job fair for late summer.

In response to Council Member Mounce, Electric Utility Director Elizabeth Kirkley stated that the fiber optic network was originally installed for communication to the substation and operations center through the Supervisory Control and Data Acquisition system, which is still currently in use. The plan is to expand the fiber to other facilities, such as Police, Fire, and Hutchins Street Square, for City purposes. Ms. Kirkley explained that there are other fiber strands that the City could potentially utilize as part of its economic development tool box. Mr. Brucker added that the City installed more fiber than it needed and it is being underutilized.

In response to Council Member Nakanishi, Ms. Kirkley stated that it is more costly to run electricity underground. Council Member Nakanishi expressed support for researching the feasibility of operating a fiber network.

In response to Mayor Johnson, Mr. Brucker stated that, in working with a consultant, staff would develop a project scope to ascertain what the potential revenue could be in operating a fiber network in order to determine if it is feasible and beneficial before proceeding.

In response to Council Member Nakanishi, Mr. Schwabauer stated that one of the costs of the project is to provide nodes in the network so that others can access the fiber and the consultant would assist in determining what that cost is. Another cost is to stretch the fiber, beyond the City facilities already on the network, to those who want to use it.

In response to Council Member Nakanishi, Mr. Brucker stated that many cities have property-based improvement districts, as well as business improvement districts, and the formation of a downtown property-based business improvement district would not be uncommon.

Council Member Mounce questioned how many out-of-town property owners there were in the downtown area, to which Mr. Brucker responded that he was unsure. Ms. Mounce predicted that the out-of-town owners will demonstrate the greatest resistance, as well as others who are less vested in the downtown area. Mr. Brucker stated that, as part of the process, the property owners being assessed participate in an election process that would require a majority vote in favor to form the district, to which Ms. Mounce stated she believed that will be a challenge.

Mayor Johnson suggested that staff review information on the previous attempt to determine what worked and what did not.

#### Electric Utility Department

In response to Council Member Nakanishi, Ms. Kirkley stated that electricity for new developments is primarily underground and each city has its own unique circumstances that influence whether electricity should be installed overhead or underground.

Council Member Mounce expressed her desire that the lines on Cherokee Lane be installed underground.

#### Fire Department

In response to Mayor Johnson, Ms. Kirkley, who shared a similar goal with Fire on succession planning, stated that staff annually reviews the budget on training funds for existing employees and to ascertain whether new hires are adequately qualified or will require additional education or instruction to get them to a higher-performing level.

In response to Mayor Pro Tempore Chandler, Deputy City Manager Jordan Ayers stated that one of his goals ties into the Fire Department's goal, which is to develop a vehicle replacement policy, and that the vehicle replacement fund is currently underfunded by \$2.4 million. Mr. Ayers stated that an agency should typically set aside a dollar amount equal to depreciation. As an example, a piece of equipment with a 25-year life expectancy should have a 4 percent set-aside every year, as well as an inflation factor.

Council Member Mounce stressed the importance of an asset replacement policy to replace or repair all City assets, including the turf at the Grape Bowl, vehicles, apparatus, and any piece of equipment with a 5- to 10-year lifespan.

Council Member Nakanishi stated that he cannot see how government agencies can set aside money when they have so little funding available, to which Mr. Ayers responded that many governmental entities have a plan in place for asset replacement.

#### Internal Services Department

In response to Council Member Mounce, Mr. Ayers stated that the fixed asset data has been sent to Tyler Technologies for conversion and that the information should be loaded and available soon, which would fulfill one of the concerns expressed by the City's auditor.

In response to Council Member Mounce, Mr. Ayers stated that his budget staff would provide each department with a list of assets included in the vehicle replacement fund, as well as the depreciation amount, and direct departments to include those dollar values in their annual budget.

In response to Council Member Mounce, Mr. Ayers stated there are two types of California Public Employees Retirement System (Cal-PERS) liabilities: one is the pool of employees who

have Sick Leave conversion, which will decrease over time; and the other is the nominal fee for every retiree who takes medical insurance through the Cal-PERS system, which will continue to occur.

In response to Mayor Johnson, Mr. Ayers stated that most jurisdictions have a third party trust fund handle the Other Post Employment Benefits liability in order to get credit within the actuarial process.

Mayor Johnson commented that he believed the numbers used on vehicle replacement are unrealistic and that the vehicles should not be turned over at such a low mileage.

#### Parks, Recreation, & Cultural Services

In response to Council Member Mounce, Parks, Recreation, and Cultural Services Director Jeff Hood stated that the Hutchins Street Square Foundation's goal is to create an endowment fund for investment in the Square to do things such as extension of fiber optic into the building and replacement of chairs, tables, and equipment. He stated that he would be willing to approach the Foundation to ask if it would spend some of the investment proceeds from the recently-donated money on the roof replacement project.

In response to Mayor Johnson, Mr. Hood stated that the Lions Club officially adopted Emerson Park and its representatives are proposing to improve the small playground area regarding access issues and replacing outdated playground equipment, as well as potentially adding a second picnic shelter because of the park's popularity.

In response to Mayor Johnson, Mr. Hood stated that plans are being developed, with the assistance of the Public Works Department, for the resurfacing of the north side of Lodi Lake. The first draft is under review with the State Division of Boating and Waterways, and construction would likely begin this winter, with completion in mid-spring. He estimated that the south side parking lot improvements would begin after that project, adding that there is money available from the land sale associated with the Surface Water Treatment Plant, but he was reluctant to move forward with the project for fear that the heavy equipment from the other project could cause damage.

In response to Mayor Johnson, Mr. Hood stated that he would contact the State Division of Boating and Waterways to see if it could provide any assistance with the Lodi Lake erosion issue.

Mayor Pro Tempore Chandler stated that boat speed is a contributing factor to the erosion problem, adding that there is a community group who would like to see the City pursue the issue because the boats are loud, dangerous, and destroying the river. Mr. Hood stated that a recent study found that boat wake, wind, and the river washing against the bank are causing the problem with erosion. The changes in water levels from Woodbridge Irrigation District operations and bank alterations upstream also have an impact.

#### Police Department

In response to Council Member Nakanishi, Police Chief Mark Helms confirmed that the City's firing range is located in the old Police Department Building, it is in disrepair, and it is inadequate for long-distance or rifle training, adding that staff often must rent a facility or utilize Stockton's range.

Council Member Mounce requested that the Chief work with the City Manager to schedule a Shirtsleeve Session to tour the Police Department facility to view the conditions and the various apparatus and equipment that need replacement.

Mayor Pro Tempore Chandler commended Chief Helms for his department's quality of work, despite budget challenges.

#### Public Works Department

In response to Council Member Mounce, Public Works Director Wally Sandelin stated that power

washing the downtown sidewalks is necessary due to the high level of contaminants on the walkways; the amount of water that a pressure washer uses is less than a regular hose; and the volume of water extracted back into the machine after cleaning is low.

Council Member Mounce expressed that she would like to see the sidewalk gap closure policy come back to Council.

In response to Mayor Johnson, Mr. Sandelin stated that the traffic signal on Turner Road and California Street moved up on the priority list based on comments from Council and the public. Mayor Johnson stated he was previously told by staff that what moves a signalized intersection up or down on the priority list has to do with whether it meets the State's guidelines and he questioned why this particular light moved higher, to which Mr. Sandelin agreed he would meet with him later to discuss the issue.

In response to Council Member Mounce, Mr. Sandelin stated that the potential decrease in federal and State funding by as much as 30 percent for road repairs will affect the City's ability to maintain the streets at the current level; however, Lodi's street surfaces and repairs are superior to most communities in California, and he calculated that the reduction in funding may impact the City less than surrounding communities. In addition, he stated that some of the reduction could be made up from Community Facilities District (CFD) taxes from new development, which would provide general fund revenue for other departments and free up money for specified maintenance. Mr. Schwabauer explained that the CFD tax is on new development coming into the City and is not a new tax.

Mr. Schwabauer asked that participants rank their top priorities by placing stickers next to their most important goals, which were displayed on presentation boards. Council Members received four stickers each, department heads received two apiece, and each member of the public received two stickers. Mr. Schwabauer explained that the results will not be debated this evening and that staff would return at a later date with a set list of goals that Council can further structure and rank.

Mayor Johnson suggested that this exercise be postponed since two of the Council Members left the meeting early, to which Mr. Schwabauer suggested that the ranking activity proceed and that Council Member Kuehne's and Nakanishi's priorities can be added prior to tabulating the list.

### RECESS

At 8:25 p.m., Mayor Johnson called for a recess in order to distribute stickers to the participants, and the City Council meeting reconvened at 8:32 p.m.

Following the ranking exercise, Mr. Schwabauer provided a general review of the results. Council Member Mounce suggested that many of the goals can be grouped together, such as gang suppression and homelessness with the Police Department's goal to increase staffing, in order to better refine the goals.

Michael Carouba expressed support for this meeting and exercise, which demonstrated a glaring need for an increase in City revenue. He suggested that the City consider leasing the fiber ring to an existing network rather than trying to become one, which could save the City money. He believed the City needs to improve in the economic development area and suggested that efforts be made in all areas, not just industrial, adding that there are many locations currently not served by City electric and water.

Ed Miller stated that, based on the needs presented this evening, he believed the City was severely lacking in funds to achieve its objectives and, until the economic environment produces revenue, the City will continue to be unable to hire police officers, repair parking lots, and improve Lodi Lake. He believed that many people still have the false belief that Lodi is a no-growth city. Mr. Miller suggested that greater effort be made to convince State legislators to change how it treats small businesses because many can no longer afford to remain open, which negatively affects the economy.

Pat Patrick, President and CEO of the Lodi District Chamber of Commerce, concurred that the City needs more revenue. He stated that the City can no longer compete the way it currently is with other communities, adding that the Chamber's Vision 2020 Plan is a resource that can help with this endeavor because it includes ideas with little to no costs tied to them. Bay Area businesses are looking to escape their high-cost location, and Lodi needs to be ready to target them and bring in those high-paying jobs.

C. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 9:06 p.m.

ATTEST:

Jennifer M. Ferraiolo  
City Clerk