

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 26, 2016**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, April 26, 2016, commencing at 7:01 a.m.

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

Absent: Council Member Nakanishi, and Mayor Chandler

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

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2016/17 Budget (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the Fiscal Year 2016/17 budget. Specific topics of discussion included overview, housing, development, employment, labor relations, California Public Employees Retirement System (Cal-PERS) projections, General Fund revenues, top ten General Fund revenue sources, sales tax, property tax, in-lieu franchise (PILOT), in-lieu - VLF, operating transfers, fund balance, and reserve status.

In response to Mayor Pro Tempore Kuehne, City Manager Schwabauer stated that he expects the old Wal-Mart building will submit plans within the next six months and be completed within the following eight months. He stated that staff has a concept of what is in Wal-Mart, but beyond that, no specific numbers on how many jobs will be created.

In response to Council Member Mounce, Mr. Ayers stated that staff does not have the exact number on the impact of sick leave for part-time employees. The part-time sick leave law went into effect July 1, 2015, and through March 31, 2016, part-timers used 480 hours of sick leave at roughly \$7,000; however, the unknown component is how often another part-time employee covered those hours of the sick employee versus not covering the shift of the absent employee. Staff would need to meet with each department to ascertain those figures. At this time, there are part-time employees who have sick leave on the books, which is a potential liability of over \$36,000. Part-time sick leave is on a use-it-or-lose-it basis, and if an employee returns, the leave can still be applied.

In response to Council Member Mounce, Mr. Schwabauer explained that the Cal-PERS projections have increased, but staff has the five-year projection and is currently reviewing the data to see if the City can meet the higher rates.

Council Member Mounce questioned how the City could have 179 new utility accounts, to which Mr. Ayers explained that the number is a combination of new houses and businesses, adding that a new business coming into town counts as a new one, even though there is a net zero.

In response to Council Member Mounce, Mr. Ayers explained that Digital, Infrastructure, and Video Competition Act (DIVCA) funds are restricted to capital purchases used to get the City's message out to the public. For example, the funds could be used to repair the projector at the Carnegie Forum, but not to replace chairs or wallpaper.

In response to Mayor Pro Tempore Kuehne, Mr. Schwabauer stated that DIVCA funding could be used for WiFi at Hutchins Street Square only if it is used to project a message to a televised audience.

Council Member Mounce stated there was a time when Council held some contentious meetings at Hutchins Street Square and suggested DIVCA funding could be used for something like that if the facility were used in that manner with greater frequency. Mr. Schwabauer stated there have been some improvements at the Square paid for with DIVCA funds as it is Council's secondary televised meeting point, but each project needs to be evaluated on its own merits. In response to Council Member Mounce, Mr. Schwabauer stated he believed there was no policing agency over the Act and use of funds. Parks, Recreation, and Cultural Services Director Jeff Hood stated that DIVCA money can be used to build secondary television studios or for access and stated that the fiber optic system from the Carnegie Forum to Comcast could be extended to include the Square if televised meetings were held there or for the broadcast of local content. It could also help pay for infrastructure for video contact at other facilities, such as the Grape Bowl and Lodi Lake, to enhance broadcast capabilities.

In response to Council Member Johnson, Mr. Ayers stated the DIVCA fund grows annually by roughly \$100,000. Council Member Johnson stressed that there needs to be a plan on how to use the funding because the account continues to grow rapidly. Mr. Hood stated that, when he served as the Communications Specialist, he was more involved in managing the program for local access, but since his reassignment four years ago, this program is not overseen by anyone. He stated that, if there is Council interest, staff can do a team approach and develop a plan on how to use the funding.

Council Member Mounce stated that the sound from televised Council meetings is poor and it should be improved to ensure the broadcast is consistent. Mr. Hood stated that some of the sound issues can be attributed to operator error.

Council Member Johnson agreed that there is an issue with the sound of the televised meetings and further suggested using DIVCA funding to upgrade the City's website, which is a communication tool that would benefit the community. Mr. Ayers stated this issue is on staff's radar to update, but there is no in-house talent to design a website and it would need to be a scheduled project. Mr. Schwabauer added that DIVCA funds may not be the source for this project, but staff would look into it. The purpose of DIVCA funds is to get the message out to the public via cable communication and comes from a fee to the cable companies as a result of their impact on the community.

Council Member Mounce requested that staff break down the in-lieu franchise increase and what the methodology was behind the 179 new accounts and send her the information. She further requested once again that staff look into the League of California Cities accounting software and plug in the City's numbers to see if it mirrors staff's projections.

Mike Lusk suggested that DIVCA funding could be used to televise Shirtsleeve Sessions as many of the topics presented are detailed, only to be glossed over at the televised Council meeting. With regard to sick leave for part-time employees, he questioned how much money was spent in overtime to cover those shifts. Mr. Ayers explained that, in the case of part-time employees, those shifts that were covered would be at the same rate of the part-time employee because they do not accrue overtime.

Alex Aliferis questioned if the City has considered using private services for various functions, stating that many states have successful private-public relationships to manage city functions and bring down costs. He expressed concern over the Cal-PERS projections, particularly if the economy worsens.

Mike Carouba suggested the City should include growth rate and general fund information from other communities and compare them to Lodi to assess the needs. If a community is growing at a small percentage but drawing down at double the rate, the growth is on the top end and additional funding is needed. He believed this analysis would help the public understand why the City does not have all of the things it wants.

Council Member Mounce stated that the public voted for the 2 percent growth rate and, in comparison to other cities that had high development, when the economy crashed Lodi did not

suffer as greatly as others. Lodi was at the bottom on foreclosures.

Mr. Carouba stated he was comfortable with a 2 percent growth rate, but, in reality, the growth rate is 0.1 percent, and Lodi needs to discover a way to get more money.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:37 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk