

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 3, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 3, 2011, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Absent: None

Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2011/12 Budget (CM)

City Manager Rad Bartlam and Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the fiscal year 2011/12 budget. Specific topics of discussion included general economic conditions, general fund revenue, fund balances, housing, property values, foreclosures, employment, State budget impacts, grant losses, employee contributions, top ten general fund revenue sources, sales tax, property tax, pilot program, operating transfers, reserve status, and the budget adoption schedule.

In response to Council Member Hansen, Mr. Ayers stated the 0.37 percent for foreclosures has held steady for Lodi.

In response to Mayor Johnson, Mr. Bartlam stated the COPS grant part-time officers perform a variety of tasks including fleet coordination, background checks, and fraud investigations.

In response to Mayor Johnson, Mr. Bartlam stated the reserve officer program is volunteer-based.

In response to Council Member Nakanishi, Mr. Ayers stated the police hiring grant allows the City to hire up to four police officers and the grant runs through 2013.

In response to Mayor Johnson, Mr. Ayers stated uncollectible late payments total approximately \$500,000 to \$600,000 of \$70 million.

In response to Mayor Pro Tempore Mounce, Mr. Ayers stated debt collections are transmitted to a collection agency quarterly.

In response to Council Member Hansen, Mr. Bartlam stated the projected sales tax is approximately \$8.8 million versus three years ago when it was \$6.8 million and the primary difference is Costco, which is expected to open in one month.

In response to Council Member Hansen, Mr. Ayers stated the general housing prices have declined along with foreclosures and short sales. Mr. Bartlam stated the property tax formula for annexations may have changed but there cannot be any unilateral changes in the base formula.

In response to Council Member Nakanishi, Mr. Ayers stated a franchise fee in the case of a private utility would require a franchise agreement based on gross sales in the area.

In response to Mayor Johnson, Mr. Ayers stated in 2007 the City's consultant reviewed current formulas for funding and fees.

In response to Council Member Nakanishi, Mr. Ayers stated the \$3.9 million reserve is about 35 days of operating.

In response to Council Member Nakanishi, Mr. Bartlam stated local cities do not have the borrowing options that state and federal governments have and generally only borrow for capital projects and not operations.

In response to Council Member Hansen and Mayor Pro Tempore Mounce, Mr. Ayers stated he will forward the debt comparison amounts for similarly sized cities.

In response to Myrna Wetzel, Mr. Bartlam stated 45 days is not a hard fixed general reserve amount although there is a days in cash formula for the electric reserve.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:31 a.m.

ATTEST:

Randi Johl
City Clerk