

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MAY 5, 2015**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 5, 2015, commencing at 7:00 a.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

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2015/16 Budget (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation on the Fiscal Year 2015/16 budget. Specific topics of discussion included overview, housing, residential development, commercial development, employment, labor relations, California Public Employees Retirement System (Cal-PERS) projections, General Fund revenue, top ten General Fund revenue sources, sales tax, property tax, in-lieu franchise (PILOT), in-lieu - vehicle license fees, operating transfers, fund balance, and reserve status. Mr. Ayers stated that draft budgets will likely be available by the end of next week and that the budget adoption is scheduled for June 10.

In response to Mayor Johnson, City Manager Schwabauer stated that there has been no discussion about curtailing residential development during the drought, adding that it would be difficult to justify denying units that are entitled, but there would be options with new units. In further response, Mr. Schwabauer stated that the State would also be unable to prohibit development of units that are fully entitled, unless it pays the value of what was condemned.

In response to Council Member Mounce, Mr. Schwabauer agreed that the State could, however, require developers to install "purple pipe," among other things, as long as it did not regulate beyond the economic value of the property.

In response to Council Member Mounce, Mr. Ayers stated that Cal-PERS produces actuarial tables on an annual basis and the numbers in the report reflect the latest figures that were published last October or November. Council Member Mounce stated that, at the last League of California Cities board meeting, it was reported that Cal-PERS would be refreshing its numbers relating to cities within the next week or so. Mr. Schwabauer and Mr. Ayers explained that there is a two- to three-year lag between economic performance and actual adjustment to the numbers, meaning, for example, the 2016/17 forward projections are based on 2013/14 actual results. Mr. Schwabauer stated staff will monitor Cal-PERS reports for any adjustments to the numbers.

In response to Council Member Kuehne, Mr. Schwabauer explained the one-time triple flip close-out payment, stating that the State, because it was unable to borrow money to bond its projects, traded sales tax for property tax 20 years ago and issued bonds against the revenue. The triple flip is the final payment.

In response to Council Member Kuehne, Mr. Ayers explained that Transient Occupancy Tax revenue is reported on a fiscal year basis by the City; however, Visit Lodi! reports the revenue on a calendar year basis, which would explain the difference between the two agency reports.

In response to Council Member Mounce, Mr. Ayers confirmed that the figures associated with future settled bargaining agreements will be carried forward, factored into the budget, and shown in the operating transfers.

In response to Council Member Mounce, Mr. Schwabauer stated that authorization to use economic reserve funds would be a Council decision, adding that at the current time staff is not planning to bring a recommendation forth to use those reserve dollars for the cleaning and lighting issues associated with the upcoming Amgen tour. He stated it would create a burden to determine methods of replenishing the fund. He agreed that the reserve fund was an option that was open for Council discussion.

In response to Council Member Mounce, Mr. Schwabauer confirmed that the browned-out Fire Engine No. 1 is currently in next year's budget at \$275,000 and if Council wanted to fund the engine full time, it would have that option.

Council Member Mounce questioned if the City could use Digital Infrastructure and Video Competition Act of 2006 (DIVCA) funds to broadcast the Council meetings in Spanish, to which Mr. Ayers responded that staff would look into it as there are restrictions on use of those funds; primarily for capital expenses. Council Member Mounce requested that the concept be discussed at the upcoming City Council goal setting session.

Mayor Johnson agreed that the concept of televising meetings in Spanish is sensible; however, he stated there are other aspects to consider to ensure this effort is economically viable, including how many people watch the meetings or request agendas in alternate languages and what is the Hispanic population, as well as the population of residents who speak other languages. He pointed out that quite often only one individual utilizes the assistance of the translators at Council meetings. Mayor Johnson shared that he visited the website for the City of Bell, which has an 80 percent Hispanic population, and there was no reference of meetings or agendas in Spanish.

Council Member Mounce pointed out that the City of Bell currently has Spanish-speaking council members who speak Spanish at the meetings; however, it previously had an all English-speaking council and staff, which alienated 80 percent of its population by not being inclusive. She stated that, until City representatives begin speaking the language of its citizens on a regular basis and making the environment more welcoming, it will continue to function as a non-inclusive atmosphere, which the City has an opportunity to rectify.

In response to Council Member Kuehne, Mr. Schwabauer stated that DIVCA replaces the former franchise fee that cities placed on cable companies for regulated service in the community. Cities had differing requirements or levels of the franchise fee, and cable companies requested state legislature eliminate franchise fees and instead establish a uniform fee that all companies would follow in communities across the board. Mr. Ayers confirmed that the DIVCA fee is one percent. In further response, Mr. Schwabauer stated that DIVCA funds can be used for public messages, broadcasting of Council meetings, local access channels, and public service announcements.

In response to Council Member Nakanishi, Mr. Schwabauer stated that Comcast currently pays for transmission of Council meeting broadcasts and the City pays for infrastructure. Council Member Nakanishi suggested staff contact Comcast to see if it has the ability to broadcast the meetings in Spanish.

Council Member Mounce stated that all options should be explored including whether Comcast can broadcast in Spanish, as well as providing translators at Council meetings on a regular basis.

Council Member Nakanishi questioned if there was data available to determine how many people watch the televised Council meetings, as he believed it would be a relatively small number, and he was hesitant to spend money on a solution that may not reach a reasonable number of users.

Council Member Mounce stated it would be prudent for the City to move toward an inclusive relationship with the community by addressing the language barrier, pointing out that there is a group of California voters who are forcing cities to move to district elections, versus at-large

elections. Many Central Valley cities spent millions of dollars going through the process of holding a special election to move to district elections, only to have it fail on the ballot, after which the group sues the city and forces it to do so after losing in court. She further shared there is a Senate Bill in legislation that, if approved, would give cities the option to change to district elections by ordinance action instead of a special election, which would be a significant cost savings to cities.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:44 a.m.

ATTEST:

Jennifer M. Ferraiolo  
City Clerk