

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MAY 31, 2016**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 31, 2016, commencing at 7:00 a.m.

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

Absent: Council Member Mounce

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

NOTE: Council Member Nakanishi arrived at 7:01 a.m.

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 of General Fund departments, General Fund balance, departmental funding, Police, Fire, Public Works, Administration, Economic Development, Internal Services, non-departmental, and Capital outlay.

Council Member Johnson commented on the increased cost of Fire dispatching and questioned if history will repeat itself, causing Fire to take the service back from Stockton and handle it in-house. Fire Chief Larry Rooney explained that the increased cost was anticipated as part of the Joint Powers Agreement (JPA) with a \$10 per call bump for this year, but the costs will stabilize and should decrease as more entities join. Chief Rooney reminded Council that it cost \$65 per call when Lodi handled dispatching in-house and the cost is now \$50 per call, which should remain at that level or below.

In response to Council Member Nakanishi, Chief Rooney stated that Stockton handles dispatching and the entities in the JPA include Lathrop, Manteca Fire District, City of Manteca, and Lodi. He further verified that American Medical Response handles dispatching services for some of the smaller cities. Mr. Ayers confirmed that the dispatch contract for the upcoming budget year is \$285,000, and City Manager Schwabauer added that the four dispatchers who were handling the service received roughly \$90,000 in compensation.

In response to Council Member Johnson, Mr. Schwabauer stated that staff is currently evaluating the final costs of Fire Station No. 2, which came in under budget by \$500,000, to determine whether or not the property at the former station really needs to be sold. If the savings are from the general fund, versus the utility accounts, it may be worthwhile to maintain the property for Fire Department training purposes.

Mr. Schwabauer explained that, as part of the negotiated agreement, Visit Lodi! increased the Business Improvement District (BID) fee and, after this year, will no longer receive the \$133,500 contribution from the City. During the 2017/18 budget discussion, Council can make the determination to leave that funding for economic development purposes or reallocate it completely.

In response to Council Member Nakanishi, Mr. Schwabauer explained that Lodi hotels formed a BID that charges 4.5 percent to all hotels, which is collected as part of the room rate, that goes to Visit Lodi! for marketing purposes.

In response to Council Member Johnson, Mr. Schwabauer stated that two sales tax initiatives versus one would increase the election cost by roughly \$12,000.

In response to Council Member Nakanishi, Mr. Schwabauer stated that in 2008 the concern regarding the Fourth of July fireworks was the cost of Police and Fire overtime to staff Lodi Lake to ensure a safe environment; however, those costs have been worked into the budget and staff is comfortable with the set-up. Total cost is \$36,000: \$16,000 for fireworks and \$20,000 for overtime costs.

Mayor Pro Tempore Kuehne complimented Mr. Ayers for the service improvements at Finance, stating he has not received further complaints about the collection area.

In response to Council Member Nakanishi, Mr. Ayers stated that the City pays itself for electricity, water, and sewer services and also pays for refuse, phone, and gas services, which is incorporated in the Non-Departmental account. In further response to Council Member Nakanishi, Mr. Ayers stated he would calculate those costs to determine if it is increasing.

In response to Council Member Johnson, Mr. Ayers stated that the \$79,000 set aside for Information Technology (IT) replacement will help to keep the City afloat in that Department, but it is not enough to fully fund an IT replacement program. If the City experienced a catastrophic failure of its IT system, it would likely cost \$4 million to repair and replace, and this set-aside is the start of planning for that reserve. Mr. Ayers added that staff will bring forth an IT Replacement Policy to Council in August or September, after which a decision will need to be made on how to fund the program.

In response to Council Member Nakanishi, Mr. Ayers stated that it has been quite some time since the Lodi Arch was refurbished and that hopefully a portion of the funding for the project can come from donations or service club contributions.

In response to Mayor Pro Tempore Kuehne, Mr. Schwabauer stated that it will be Council's decision whether to sell the old fire station property or to maintain it for training purposes. The sale of the property was put into the budget as part of the resources to pay for Fire Station No. 2, but the project came in \$500,000 less, and staff will confirm whether it is from the general fund or the utility accounts. It will ultimately be Council's decision to keep the property as a training facility or to sell it.

In response to Council Member Nakanishi's earlier question regarding increases to City-paid utilities, Mr. Ayers confirmed those costs increased by 2.6 percent.

Council Member Johnson suggested staff consider utilizing the property on Thurman Street as a space to perform Fire Department training exercises, particularly if the old fire station property is of worth on the market. Mr. Schwabauer stated the entire 9.5-acre Thurman Street property may be utilized by the Electric Utility Department for the 230 Kv project, and Council Member Johnson suggested the matter be discussed further with the Electric Utility Director.

Myrna Wetzel expressed concern about utilizing the former Fire Station because the building was uninhabitable and questioned if the City would renovate the building or tear it down and install portables. Mr. Schwabauer stated that a strategy has not yet been fully formed; however, there is no plan to use the old fire station structure or to house or staff individuals inside the building. Instead, there would likely be Conex buildings in the yard area for use as a training facility.

In response to Mayor Pro Tempore Kuehne, Mr. Schwabauer stated the old fire station property was last appraised about four years ago for \$400,000; however, it is no longer a valid appraisal. He estimated it will cost \$5,000 to \$7,000 to have the building appraised by a licensed appraiser.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:39 a.m.

ATTEST:

Jennifer M. Ferraiolo  
City Clerk