

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, JUNE 4, 2014**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of June 4, 2014, was called to order by Mayor Katzakian at 6:30 p.m.

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

Absent: None

Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and City Clerk Johl-Olson

C-2 Announcement of Closed Session

- a) Appointment of Council Appointees: City Manager and City Attorney; Pursuant to Government Code §54957; and Conference with Mayor Phil Katzakian (Labor Negotiator) Regarding City Council Appointees - City Manager, City Attorney, and City Clerk; Pursuant to Government Code §54957.6

C-3 Adjourn to Closed Session

At 6:30 p.m., Mayor Katzakian adjourned the meeting to a Closed Session to discuss the above matters. Only City Council members were present during Closed Session. Staff was not present. The Closed Session adjourned at 7:00 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:00 p.m., Mayor Katzakian reconvened the meeting and disclosed the following actions.

Item C-2 (a) was discussion only with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of June 4, 2014, was called to order by Mayor Katzakian at 7:00 p.m.

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

Absent: None

Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and City Clerk Johl-Olson

B. Presentations - None

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Mounce made a motion, second by Council Member Johnson, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

C-1 Receive Register of Claims in the Amount of \$5,919,508.15 (FIN)

Claims were approved in the amount of \$5,919,508.15.

C-2 Approve Minutes (CLK)

The minutes of May 20, 2014 (Shirtsleeve Session), May 21, 2014 (Regular Meeting), and May 27, 2014 (Shirtsleeve Session) were approved as written.

C-3 Accept the Quarterly Investment Report as Required by the City of Lodi Investment Policy (CM)

Accepted the quarterly investment report as required by the City of Lodi Investment Policy.

C-4 Accept Quarterly Report of Purchases Between \$10,000 and \$20,000 (CM)

Accepted the quarterly report of purchases between \$10,000 and \$20,000.

C-5 Adopt Resolution Approving the Purchase of Hardware and Software from Dell for the Electric Utility's Geographic Information System and MilSoft Utility Solutions Software (\$25,000) (EU)

Adopted Resolution No. 2014-84 approving the purchase of hardware and software from Dell for the Electric Utility's geographic information system and MilSoft Utility Solutions software in the amount of \$25,000.

C-6 Adopt Resolution Awarding Contract for 2014 GrapeLine Bus Stop Improvements to A.M. Stephens Construction Company, Inc., of Lodi (\$277,083.90) (PW)

Adopted Resolution No. 2014-85 awarding contract for 2014 GrapeLine Bus Stop Improvements to A.M. Stephens Construction Company, Inc., of Lodi, in the amount of \$277,083.90.

C-7 Adopt Resolution Awarding Contract for Kettleman Lane Bus Stop Improvements to A.M. Stephens Construction Company, Inc., of Lodi (\$45,874) (PW)

Adopted Resolution No. 2014-86 awarding contract for Kettleman Lane Bus Stop Improvements to A.M. Stephens Construction Company, Inc., of Lodi, in the amount of \$45,874.

C-8 Adopt Resolution Authorizing the City Manager to Execute Agreement with County of San Joaquin for Automated Message Switching System and Criminal Justice Information System Access (\$20,057) (PD)

Adopted Resolution No. 2014-87 authorizing the City Manager to execute agreement with County of San Joaquin for Automated Message Switching System and Criminal Justice Information System Access in the amount of \$20,057.

C-9 Authorize the City Attorney to Issue "Comfort Letter" to Ford Construction Company, Inc.,

in Connection with the Purchase of Property at 300 West Pine Street (CA)

Authorized the City Attorney to issue "comfort letter" to Ford Construction Company, Inc., in connection with the purchase of property at 300 West Pine Street.

C-10 Adopt Resolution Approving Contract with Lodi Unified School District to Provide After-School Staff Support for the Bridge Program at 13 Locations During Fiscal Year 2014/15 (\$659,360) (PRCS)

This item was pulled from the agenda by staff and will be brought back for City Council consideration at a future meeting.

C-11 Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement with Efficiency Services Group LLC, of Milwaukie, Oregon, for Public Benefit Program Administration (\$50,000) (EU)

This item was pulled for further discussion by Council Member Johnson.

In response to Council Member Johnson, Ms. Kirkley stated the consultant will administer the public benefits program and review current energy related contracts. She stated the proposed cost includes initial start-up fees and one-time charges for the program.

In response to Council Member Mounce, Ms. Kirkley stated the fully-loaded cost for an in-house staff person administering the program will be approximately \$150,000.

In response to Council Member Nakanishi, Ms. Kirkley confirmed that the program was previously administered by Rob Lechner, a former City of Lodi employee.

In response to Council Member Johnson, Mr. Schwabauer stated the City will not be able to recruit a business development manager with the same electric utility skill set that Mr. Lechner previously provided.

In response to Mayor Pro Tempore Hansen, Ms. Kirkley stated the contract position is needed to ensure certain requirements are met including timely reporting and to interface with the Northern California Power Agency (NCPA) in this particular area. Further, Ms. Kirkley confirmed the contract and program will be evaluated after six months and staffing will also be considered at that time.

In response to Council Member Johnson, Ms. Kirkley stated NCPA has 14 members and does not have staff to fulfill the responsibilities that the proposed consultant will cover for each agency.

Council Member Mounce made a motion, second by Mayor Pro Tempore Hansen, to adopt Resolution No. 2014-97 authorizing the City Manager to execute Professional Services Agreement with Efficiency Services Group LLC, of Milwaukie, Oregon, for Public Benefit Program administration in the amount of \$50,000.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Johnson

Absent: None

C-12 Adopt Resolution Reviewing and Maintaining the Current Electric Utility Reserve Policy

(EU)

Adopted Resolution No. 2014-88 reviewing and maintaining the current Electric Utility Reserve Policy.

C-13 Adopt Resolution Authorizing the City Manager to File Claim for 2013/14 Transportation Development Act Funds in the Amount of \$2,175,304 from Local Transportation Fund and \$171,375 from State Transit Assistance Fund (PW)

Adopted Resolution No. 2014-89 authorizing the City Manager to file claim for 2013/14 Transportation Development Act funds in the amount of \$2,175,304 from Local Transportation Fund and \$171,375 from State Transit Assistance Fund.

C-14 Adopt the Following Resolutions Pertaining to the November 4, 2014, General Municipal Election: a) Resolution Calling and Giving Notice of the General Municipal Election to Be Held on Tuesday, November 4, 2014, for the Election of Certain Officers of the City; b) Resolution Requesting the San Joaquin County Board of Supervisors to Render Specified Services for the Conduct of a General Municipal Election to Be Held on Tuesday, November 4, 2014; c) Resolution Setting Forth the Council's Policy Regarding Impartial Analyses, Arguments, and Rebuttal Arguments for Any Measure(s) that May Qualify to Be Placed on the Ballot for the November 4, 2014, General Municipal Election; and d) Resolution Adopting Regulations for Candidates for Elective Office Pertaining to Candidates' Statements Submitted to the Voters at the General Municipal Election to Be Held on Tuesday, November 4, 2014 (CLK)

Adopted the following resolutions pertaining to the November 4, 2014, General Municipal Election: a) Resolution No. 2014-90 calling and giving notice of the General Municipal Election to be held on Tuesday, November 4, 2014, for the election of certain officers of the City; b) Resolution No. 2014-91 requesting the San Joaquin County Board of Supervisors to render specified services for the conduct of a General Municipal Election to be held on Tuesday, November 4, 2014; c) Resolution No. 2014-92 setting forth the Council's policy regarding impartial analyses, arguments, and rebuttal arguments for any measure(s) that may qualify to be placed on the ballot for the November 4, 2014, General Municipal Election; and d) Resolution No. 2014-93 adopting regulations for candidates for elective office pertaining to candidates' statements submitted to the voters at the General Municipal Election to be held on Tuesday, November 4, 2014.

C-15 Adopt Resolution Initiating Proceedings for the Levy and Collection of Assessments, Resolution Approving the Annual Report, and Resolution Declaring Intention to Levy and Collect Assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for Fiscal Year 2014/15; and Set Public Hearing for July 16, 2014 (PW)

Adopted Resolution No. 2014-94 initiating proceedings for the levy and collection of assessments, Resolution No. 2014-95 approving the Annual Report, and Resolution No. 2014-96 declaring intention to levy and collect assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for fiscal year 2014/15; and set public hearing for July 16, 2014.

C-16 Set Public Hearing for July 16, 2014, to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Index for Wastewater Rates and Restructured Water Rates for Residential, Commercial, and Industrial Customers (PW)

Set public hearing for July 16, 2014, to consider adopting resolution setting pre-approved Engineering News Record index for wastewater rates and restructured water rates for residential,

commercial, and industrial customers.

- D. Comments by the Public on Non-Agenda Items THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES. Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

None.

- E. Comments by the City Council Members on Non-Agenda Items

Council Member Nakanishi congratulated the winners of the June 3, 2014, primary election.

Council Member Mounce congratulated Stockton City Council Member Kathy Miller on her election to the San Joaquin County Board of Supervisors.

Mayor Pro Tempore Hansen provided a report on his attendance at the meetings for the San Joaquin Council of Governments and Northern California Power Agency (NCPA) and specifically discussed progress on construction projects and the adoption of the NCPA budget.

- F. Comments by the City Manager on Non-Agenda Items - None

- G. Public Hearings - None

- H. Communications - None

- I. Regular Calendar

- I-1 Adopt Resolution Approving the City of Lodi Financial Plan and Budget for the Fiscal Year Beginning July 1, 2014 and Ending June 30, 2015, and Approving the Fiscal Year 2014/15 Appropriation Spending Limit (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the Fiscal Year 2014/15 budget. Specific topics of discussion included all fund appropriations and revenues, general fund balance overview, labor agreements, PERS projections, major capital projects, and requested action.

Council Member Mounce asked that the mid-year budget review include a discussion regarding the funding associated with the browned-out engine for the Fire Department.

In response to Mayor Pro Tempore Hansen, Mr. Ayers confirmed that the City is now paying for the four police officer positions that were previously funded by grant funding. He confirmed that 67 of the 71 budgeted positions are currently filled in the Police Department.

In response to Mayor Katzakian, Mr. Ayers stated the CalPers projections are tailored to the City of Lodi.

In response to Mayor Pro Tempore Hansen, Mr. Ayers stated CalPers did not make any adjustments to the discount rate this year because the impact of the adjustment to the mortality rates was significant. Mr. Ayers stated the exact impact from the mortality rate adjustment

remains unknown as CalPers has not yet released the specific numbers.

Council Member Nakanishi requested additional information regarding how future CalPers projections relate to future expenses and revenues. Mr. Schwabauer and Mr. Ayers confirmed that the City will be able to progress to the 2016/17 year without dipping into reserves assuming that revenues and expenditures remain equal.

Council Member Mounce asked that the financial tool developed by the League of California Cities be looked at after budget adoption to evaluate the City's financial health.

In response to Council Member Mounce, Mr. Ayers confirmed Fire Station No. 2 construction will begin in August, the bids for the annex building project are going out shortly and will include the desk station adjustments for the Finance building, and staff will look into the option of implementing a program similar to the Department of Motor Vehicles number system at Finance.

In response to Mayor Pro Tempore Hansen, Mr. Schwabauer stated the Fire Station No. 2 project is fully funded and no bond proceeds will be used for the project. He stated the annex building funding is coming from the Lodi Energy Center funds, utility funds, and the General Fund. Mr. Schwabauer stated the financing plan for the annex building will be coming before Council in the near future and does not include bond financing.

In response to Mayor Pro Tempore Hansen, Mr. Ayers confirmed that the budget includes funding for the spay and neuter program.

Council Member Mounce made a motion, second by Mayor Pro Tempore Hansen, to adopt Resolution No. 2014-98 approving the City of Lodi Financial Plan and Budget for the fiscal year beginning July 1, 2014 and ending June 30, 2015, and approving the fiscal year 2014/15 appropriation spending limit.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-2 Adopt Resolution Appointing Stephen Schwabauer as City Manager and Approving the Related Employment Agreement

Deputy City Attorney Janice Magdich provided an overview of the terms of the City Manager contract appointing Stephen Schwabauer as the City Manager of the City of Lodi.

Mayor Pro Tempore Hansen made a motion, second by Council Member Mounce, to adopt Resolution No. 2014-99 appointing Stephen Schwabauer as City Manager and approving the related employment agreement.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-3 Adopt Resolution Appointing Janice D. Magdich as City Attorney and Approving the

Related Employment Agreement

City Manager Schwabauer provided an overview of the terms of the City Attorney contract appointing Janice Magdich as the City Attorney of the City of Lodi.

Council Member Johnson made a motion, second by Council Member Mounce, to adopt Resolution No. 2014-100 appointing Janice D. Magdich as City Attorney and approving the related employment agreement.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-4 Adopt Resolution Approving Addendum to Employment Agreement with City Clerk by Adding Standalone Legislative Job Duties, Reclassifying the Position as City Clerk/Legislative Affairs Officer, and Adjusting Salary

Mayor Katzakian and Council Member Mounce provided a brief overview of the proposed reclassification of the City Clerk.

The following individuals spoke in opposition to the proposed reclassification and submitted correspondence, which was made a part of the official record: (1) Gary Wiman, representing the City Mid-Management Association and (2) Brad Doell, representing the Firefighters Professional Association.

Discussion ensued amongst the City Council regarding the merits of the proposed reclassification.

Council Member Johnson made a motion, second by Mayor Katzakian, to adopt Resolution No. 2014-101 approving addendum to employment agreement with City Clerk by adding standalone legislative job duties, reclassifying the position as City Clerk/Legislative Affairs Officer, and adjusting salary.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: Council Member Nakanishi, and Mayor Pro Tempore Hansen

Absent: None

J. Ordinances - None

K. Adjournment

There being no further business, the meeting was adjourned at 8:20 p.m.

ATTEST:

Randi Johl-Olson  
City Clerk