

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JUNE 17, 2015**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of June 17, 2015, was called to order by Mayor Johnson at 6:30 p.m. at Hutchins Street Square, 125 South Hutchins Street, Lodi.

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 Deputy City Clerk Farris

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Unrepresented Confidential Employees, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, and Lodi Professional Firefighters Pursuant to Government Code §54957.6 (CM)

C-3 Adjourn to Closed Session

At 6:30 p.m., Mayor Johnson adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 7:00 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:06 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

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

A. Call to Order / Roll Call

The Regular City Council meeting of June 17, 2015, was called to order by Mayor Johnson at 7:06 p.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 Deputy City Clerk Farris

B. Presentations

B-1 Presentation Regarding the 2015 Youth Energy Summit (CM)

Adam Brucker, Business Development Manager, gave a short presentation on the recent 2015 Youth Energy Summit. Mayor Johnson presented Certificates of Recognition to Tokay High School students Simaron Dhillon and Theresa Mall for receiving First Place at the recent 2015 Youth Energy Summit. Unable to attend to receive their Certificates of Recognition were Julie Fukunaga and Kristen Fukunaga.

B-2 2015 National Dump the Pump Day Proclamation (PW)

Mayor Johnson presented a proclamation for 2015 National Dump the Pump Day to Julia Tyack, City of Lodi Transportation Planner, and Jeff Kohlhepp, MV Transportation General Manager. Ms. Tyack invited Council and the public to ride the GrapelLine fixed-route buses for free on June 18, in honor of National Dump the Pump Day. Mr. Kohlhepp invited the Council and the public to participate in the raffle for fixed-route bus passes.

B-3 Parks Make Life Better Month Proclamation (PRCS)

Mayor Johnson presented a proclamation for Parks Make Life Better Month to Recreation Commissioner David Akin, representing the Parks, Recreation, and Cultural Services Department and the Recreation Commission. Mr. Akin urged the public to support Lodi's parks and presented a handout to Council regarding donations to the Lodi Parks and Recreation Fund and the Lodi Parks Endowment Fund.

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

Following the reading of the Consent Calendar, Council Member Mounce questioned why Item Nos. C-6, C-18, C-19, and C-22 were included on the agenda when the cost of those contracts were within the City Manager's signature authority. City Manager Schwabauer responded that those items included options for renewal which would put the final cost above the \$20,000 limit. In response to Council Member Mounce, Mr. Schwabauer verified that the Blue Sheets for Item Nos. C-13 through C-17 were revisions to the contract adding a clause for an optional one-year extension.

Council Member Mounce made a motion, second by Mayor Pro Tempore Chandler, to approve the following items hereinafter set forth in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

C-1 Receive Register of Claims in the Amount of \$6,610,677.57 (FIN)

Claims were approved in the amount of \$6,610,677.57.

C-2 Approve Minutes (CLK)

The minutes of May 26, 2015 (Special Meeting), June 2, 2015 (Shirtsleeve Session), and June 3, 2015 (Regular Meeting) were approved as written.

C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for School Street Trewell LED Light Retrofit Project - Lodi Avenue to Locust Street (PW)

Approved plans and specifications and authorized advertisement for bids for School Street Trewell Light Emitting Diode (LED) Light Retrofit Project - Lodi Avenue to Locust Street.

C-4 Accept Donations for Memorial Bench and Plaques at Various City Parks (PRCS)

Accepted donations for memorial bench and plaques at various City parks.

- C-5 Adopt Resolution Awarding Contract for 2015/16 Landscape Maintenance of Miscellaneous Areas and Lodi Consolidated Landscape Assessment District No. 2003-1 to New Image Landscape Company, of Fremont (\$185,276) and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2015-75 awarding the contract for the 2015/16 Landscape Maintenance of Miscellaneous Areas and Lodi Consolidated Landscape Assessment District No. 2003-1 to New Image Landscape Company, of Fremont, in the amount of \$185,276, and authorizing the Public Works Director to execute extensions.

- C-6 Adopt Resolution Awarding Contract for 2015/16 Transit Station Landscape Maintenance to Marina Landscape, Inc., of Livermore (\$15,520) and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2015-76 awarding the contract for the 2015/16 Transit Station Landscape Maintenance to Marina Landscape, Inc., of Livermore, in the amount of \$15,520, and authorizing the Public Works Director to execute extensions.

- C-7 Accept Improvements Under Contract for City Hall Boiler Replacement Project (PW)

Accepted improvements under the contract for the City Hall Boiler Replacement Project.

- C-8 Accept Improvements Under Contract for Downtown Concrete Cleaning (PW)

Accepted improvements under the contract for the Downtown Concrete Cleaning Project.

- C-9 Adopt Resolution Authorizing City Manager to Execute a Two-Year Customer Support Agreement with L & H Airco, of Roseville, for Maintenance of Climate Control Energy Management Systems at City Facilities and Authorizing Public Works Director to Execute a One-Year Extension (\$42,765) (PW)

Adopted Resolution No. 2015-77 authorizing the City Manager to execute a two-year Customer Support Agreement with L & H Airco, of Roseville, for maintenance of climate control energy management systems at City facilities, in the amount of \$42,765, and authorizing the Public Works Director to execute a one-year extension.

- C-10 Adopt Resolution Approving the Master Lease Agreement with the Lodi Grape Festival and National Wine Show Association for Use of Various Festival Ground Facilities (\$21,000) (PRCS)

Adopted Resolution No. 2015-78 approving the Master Lease Agreement with the Lodi Grape Festival and National Wine Show Association for use of various Festival Ground facilities, in the amount of \$21,000.

- C-11 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Telstar Instruments, of Sacramento, for SCADA Instrumentation, Maintenance, and Integration Services (\$80,000) and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2015-79 authorizing the City Manager to execute a Professional Services Agreement with Telstar Instruments, of Sacramento, for SCADA instrumentation, maintenance, and integration services, in the amount of \$80,000, and authorizing the Public Works Director to execute extensions.

C-12 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Jorgensen Company, of Modesto, for Citywide Fire Extinguisher Maintenance and Authorizing Public Works Director to Execute a One-Year Extension (\$25,000) (PW)

Adopted Resolution No. 2015-80 authorizing the City Manager to execute a two-year Professional Services Agreement with Jorgensen Company, of Modesto, for Citywide fire extinguisher maintenance, in the amount of \$25,000, and authorizing the Public Works Director to execute a one-year extension.

C-13 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Munoz Roofing, Inc., of Acampo, for Citywide Roofing Repairs and Authorizing Public Works Director to Execute a One-Year Extension (\$40,000) (PW)

Adopted Resolution No. 2015-81 authorizing the City Manager to execute a two-year Professional Services Agreement with Munoz Roofing, Inc., of Acampo, for Citywide roofing repairs, in the amount of \$40,000, and authorizing the Public Works Director to execute a one-year extension.

C-14 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with ICR Refrigeration, Inc., of Lodi, for City Facilities Heating, Ventilation, and Air Conditioning Maintenance Services and Authorizing Public Works Director to Execute a One-Year Extension (\$150,000) (PW)

Adopted Resolution No. 2015-82 authorizing the City Manager to execute a two-year Professional Services Agreement with ICR Refrigeration, Inc., of Lodi, for City facilities heating, ventilation, and air conditioning maintenance services, in the amount of \$150,000, and authorizing the Public Works Director to execute a one-year extension.

C-15 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with A & A Electric, of Acampo, for City Facilities Electrical Repairs and Authorizing Public Works Director to Execute a One-Year Extension (\$30,000) (PW)

Adopted Resolution No. 2015-83 authorizing the City Manager to execute a two-year Professional Services Agreement with A & A Electric, of Acampo, for City facilities electrical repairs, in the amount of \$30,000, and authorizing the Public Works Director to execute a one-year extension.

C-16 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with Service 1st Overhead Door, of Acampo, for City Facilities Roll-Up Door and Gate Repairs and Authorizing Public Works Director to Execute a One-Year Extension (\$30,000) (PW)

Adopted Resolution No. 2015-84 authorizing the City Manager to execute a two-year Professional Services Agreement with Service 1st Overhead Door, of Acampo, for City facilities roll-up door and gate repairs, in the amount of \$30,000, and authorizing the Public Works Director to execute a one-year extension.

C-17 Adopt Resolution Authorizing City Manager to Execute a Two-Year Professional Services Agreement with ABC Plumbing, Heating, and Air Conditioning, of Lodi, for City Facilities Plumbing Repair Services and Authorizing Public Works Director to Execute a One-Year Extension (\$30,000) (PW)

Adopted Resolution No. 2015-85 authorizing the City Manager to execute a two-year Professional Services Agreement with ABC Plumbing, Heating, and Air Conditioning, of Lodi, for City facilities plumbing repair services, in the amount of \$30,000, and authorizing the Public Works Director to execute a one-year extension.

C-18 Adopt Resolution Authorizing City Manager to Execute Amendment No. 3 to Professional Services Agreement with Stantec Consulting Services, Inc., of Rancho Cordova, for On Call Environmental Services and Appropriating Funds (\$15,000) (PW)

Adopted Resolution No. 2015-86 authorizing the City Manager to execute Amendment No. 3 to the Professional Services Agreement with Stantec Consulting Services, Inc., of Rancho Cordova, for on call environmental services and appropriating funds in the amount of \$15,000.

C-19 Adopt Resolution Authorizing City Manager to Amend Professional Services Agreement with Adecco Staffing Services, of Stockton, to Add Laboratory Technician (\$17,000) (PW)

Adopted Resolution No. 2015-87 authorizing the City Manager to amend the Professional Services Agreement with Adecco Staffing Services, of Stockton, to add a Laboratory Technician, in the amount of \$17,000.

C-20 Adopt Resolution Authorizing City Manager to File Claim for 2014/15 Transportation Development Act Funds in the Amount of \$2,906,110 from Local Transportation Fund and \$268,778 from State Transit Assistance Fund (PW)

Adopted Resolution No. 2015-88 authorizing the City Manager to file a claim for 2014/15 Transportation Development Act funds in the amount of \$2,906,110 from the Local Transportation Fund and \$268,778 from the State Transit Assistance Fund.

C-21 Adopt Resolution of Consideration to Reduce Special Taxes and Annual Index for Community Facilities District No. 2007-1 and Setting Public Hearing for August 5, 2015 (CM)

Adopted Resolution No. 2015-89 of consideration to reduce special taxes and the annual index for Community Facilities District No. 2007-1 and setting a public hearing for August 5, 2015.

C-22 Adopt Resolution Authorizing City Manager to Apply for Lodi's Share of the 2015 Edward Byrne Memorial Justice Assistance Grant (\$19,784) (PD)

Adopted Resolution No. 2015-90 authorizing the City Manager to apply for Lodi's Share of the 2015 Edward Byrne Memorial Justice Assistance Grant in the amount of \$19,784.

C-23 Adopt Resolution Authorizing City Manager to Apply for the Department of Justice Technology Innovation for Public Safety Fiscal Year 2015 Competitive Grant (PD)

Adopted Resolution No. 2015-91 authorizing the City Manager to apply for the Department of Justice Technology Innovation for Public Safety Fiscal Year 2015 Competitive Grant.

C-24 Adopt Resolution Authorizing City Manager to Execute Grant Award from the Department of Alcoholic Beverage Control and Appropriating Funds (\$38,336) (PD)

Adopted Resolution No. 2015-92 authorizing the City Manager to execute a grant award from the Department of Alcoholic Beverage Control and appropriating funds in the amount of \$38,336.

C-25 Adopt Resolution Approving Parks, Recreation, and Cultural Services Fees (PRCS)

Prior to the vote on the Consent Calendar, Council Member Mounce expressed concern that significant changes were being made to the fee structure and requested that a Shirtsleeve Session be held to receive more information before taking a vote on a new fee schedule. Mayor Johnson replied that the fees have been discussed previously. City Manager Schwabauer stated that Parks, Recreation, and Cultural Services Director Jeff Hood had a PowerPoint presentation ready, but Council Member Mounce replied that the PowerPoint presentation should be given at a Shirtsleeve Session.

Mr. Hood stated that the fee schedule was the topic of the Shirtsleeve Session held on

January 20, 2015, and a previous session in 2014. He clarified that the schedule includes new fees for park facility and picnic shelter rentals and an adjustment for Kirst Hall Saturday rental rates. He further commented that most of the fee changes are inflation-based; there were increases to the non-residential rates; Lodi Lake fees are a premium rate to reflect the unique environment and amenities available there, but the fees for the other parks are at market rate to the other agencies surrounding Lodi; and all of the fees were approved by the Recreation Commission.

In response to Council Member Mounce, Mr. Hood confirmed that the Recreation Commission had endorsed all of the changes prior to the January 2015 Shirtsleeve Session, with the exception of the park shelter amenities, which were approved at meetings in May and June. He further added that the commercial photography park permit fee had been lowered from the original proposed fee by the Recreation Commission in response to comments received from Council at the Shirtsleeve Session.

In response to Council Member Mounce, Mr. Hood confirmed that all of the fee changes have come before Council before and are now being brought back as a group for approval.

Following the discussion, Council Member Mounce agreed to keep the item on the Consent Calendar.

Adopted Resolution No. 2015-93 approving Parks, Recreation, and Cultural Services fees.

C-26 Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2 (PW)

Received an update on the emergency condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2.

In response to Council Member Nakanishi, Public Works Director Wally Sandelin explained that the work on the digesters is a \$3.1 million project; the project is running on schedule but is not complete; Digester No. 1 is finished; Digester No. 2 is due to be completed in August; and there have not been any cost over-runs at this point.

C-27 Adopt Resolution Amending Traffic Resolution No. 97-148 by Establishing Surface Transportation Assistance Act Truck Route on Harney Lane from Stockton Street to Cherokee Lane (PW)

Adopted Resolution No. 2015-94 amending Traffic Resolution No. 97-148 by establishing a Surface Transportation Assistance Act (STAA) truck route on Harney Lane from Stockton Street to Cherokee Lane.

C-28 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 2015/16; and Set Public Hearing for July 15, 2015 (PW)

Adopted Resolution No. 2015-95 initiating proceedings for the levy and collection of assessments, Resolution No. 2015-96 approving the Annual Report, and Resolution No. 2015-97 declaring the intention to levy and collect assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for Fiscal Year 2015/16; and set a public hearing for July 15, 2015.

C-29 Adopt Resolution Declaring Intention to Annex Territory to Community Facilities District No. 2007-1 (Public Services) and to Levy a Special Tax Therein and Setting Public Hearing for August 5, 2015 (PW)

Adopted Resolution No. 2015-98 declaring the intention to annex territory to Community Facilities District No. 2007-1 (Public Services) and to levy a special tax therein and setting a public hearing for August 5, 2015.

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 Mounce expressed her concern over the public receiving information regarding the current water restrictions, to which Deputy City Manager Jordan Ayers confirmed that the current utility billing cycle is receiving a notification in both English and Spanish. Council Member Mounce also expressed gratitude for the efforts that Kathy Grant is putting forth in educating the public about water conservation for homes and landscaping. Public Works Director Wally Sandelin added that 5,000 door hangers are being printed for distribution in the areas with known problems and that the City is also participating in the upcoming insert in the Lodi News-Sentinel regarding the drought. Council Member Mounce further commented that while she appreciated having the air conditioning here at Hutchins Street Square, she was disappointed that tonight's meeting was not taking place at Carnegie Forum where the meeting could be televised for the budget adoption.

Council Member Nakanishi shared information regarding a draft ordinance from the California Department of Water Resources in terms of limitations being placed on the landscaping being installed for new homes and businesses. Mr. Sandelin confirmed that his department is aware of the requirements.

Mayor Johnson commented that he believed that the Lodi Police Partners could watch for water waste during the course of their duties and suggested that they hand out information, such as the door hangers. He stressed that he does not want the Partners to become involved in enforcement. Mr. Sandelin stated he will explore that option.

F. Comments by the City Manager on Non-Agenda Items

None.

G. Public Hearings

G-1 Continue Public Hearing to July 15, 2015, to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (PW)

Council Member Mounce made a motion, second by Mayor Pro Tempore Chandler, to continue the public hearing to July 15, 2015, to consider adopting a resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: 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, 2015 and Ending June 30, 2016 and Approving the Fiscal Year 2015/16 Appropriation Spending Limit (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation on the Fiscal Year 2015/16 budget. Specific topics of discussion included General Fund departments, General Fund account balances, departmental funding, Police Department, Fire Department, Public Works Department, Administration Department, Internal Services Department, non-departmental accounts, Capital outlay, all funds, labor, positions, Public Employees Retirement System (PERS) projections, major Capital projects, and action requested of Council.

In response to a question from the previous meeting, Mr. Ayers stated that the Spay and Neuter Program issued a little over \$14,000 in vouchers last year, of which about \$11,000 were redeemed, and the same allocation for the program is included in this budget.

In response to a question from the previous meeting, Mr. Ayers confirmed that the Enterprise Zone is defunct but that there is currently \$21,500 in the account which can be reallocated in this budget.

In response to Council Member Mounce, Mr. Ayers confirmed that the Enterprise Zone funds of \$21,500 could be reallocated to General Fund Capital Outlay and earmarked for the Animal Shelter.

Mr. Ayers commented that in regard to labor, all of the employee groups are under contract now except Fire; Police Mid-Management and AFSCME are on the agenda tonight; and a tentative agreement has been reached with the Police Officers Association with only a couple of items left to be fine-tuned and that contract should be coming to Council on July 15.

Council Member Mounce commented that the Chief Executive Officer of PERS will be speaking at the upcoming League of California Cities meeting and she will report back to Council what she learns at that session.

In response to Council Member Kuehne, Business Development Manager Adam Brucker explained that the \$500,000 Economic Development budget includes the City's support of the Lodi Conference and Visitor's Bureau, San Joaquin Partnership, Lodi District Chamber of Commerce, fireworks, Arts grants, concerts, Grape Festival, Celebration on Central, Sand Hill Crane Festival, and Fireworks Task Force. In response to Mayor Pro Tempore Chandler's question regarding promoting business outside of our area, Mr. Brucker explained that San Joaquin Partnership is our regional marketing body and serves to promote Lodi through out-of-state trade shows, represents the City throughout the state, and brings site-selectors to the City.

Council Member Nakanishi expressed his appreciation for Deputy City Manager Ayer's work on the budget and pointed out to the public the amount of money that the City is investing in parks (\$3.6 million) and the library (\$1.3 million) and that Fire Station No. 2 construction is debt-free.

Mr. Ayers clarified the adjustment to the submitted budget and resolution: Decreasing the

Economic Development Unit by \$21,500; increasing the Non-Departmental transfer out by \$21,500; and increasing the transfers in within the Community Outlay fund by \$21,500, earmarked for the Animal Shelter.

In response to Council Member Mounce, Mr. Ayers agreed that Supervising Budget Analyst Susan Bjork and Management Analyst Sandra Brage are to be commended for their hard work in producing the budget.

Council Member Nakanishi made a motion, second by Council Member Mounce, to adopt Resolution No. 2015-99 approving the City of Lodi Financial Plan and Budget for the fiscal year beginning July 1, 2015 and ending June 30, 2016 and approving the Fiscal Year 2015/16 Appropriation Spending Limit, including the adjustment to the submitted budget and resolution decreasing the Economic Development Unit by \$21,500; increasing the Non-Departmental transfer out by \$21,500; and increasing the transfer in within the Community Outlay fund by \$21,500, earmarked for the Animal Shelter.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-2 Adopt Resolution Approving Memorandum of Understanding Between the City of Lodi and the Lodi Police Mid-Management Organization for the Period January 1, 2015 through December 31, 2017 and Appropriating Funds (\$58,018) (CM)

Deputy City Manager Jordan Ayers provided a summary of the Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization.

Council Member Mounce made a motion, second by Mayor Pro Tempore Chandler, to adopt Resolution No. 2015-100 approving the Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization for the period January 1, 2015 through December 31, 2017 and appropriating funds in the amount of \$58,018.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-3 Adopt Resolutions Approving Memorandums of Understanding Between the City of Lodi and AFSCME (General Services and Maintenance & Operators Units) for the Period January 1, 2015 through December 31, 2017; Extending Certain Provisions to Confidential General Services Employees; and Appropriating Funds (\$59,209) (CM)

Deputy City Manager Jordan Ayers provided a summary of the Memorandums of Understanding between the City of Lodi and AFSCME General Services and Maintenance & Operators units and the provisions that will be extended to Confidential General Services employees.

Council Member Mounce made a motion, second by Council Member Kuehne, to adopt Resolution No. 2015-101 approving the Memorandum of Understanding for the Period January 1, 2015 through December 31, 2017 between the City of Lodi and AFSCME - General Services unit; Resolution No. 2015-102 approving the Memorandum of Understanding between the City of Lodi and AFSCME - Maintenance & Operators unit; and Resolution No. 2015-203 extending certain provisions to Confidential General Services employees and appropriating funds in the amount of \$59,209.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

I-4 Introduce an Ordinance Amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by Repealing and Re-Enacting Section 13.20.315(C), "Schedule EDR - Economic Development Rate," to Re-Enact the Utility Rate Discount from September 1, 2015 to June 30, 2018 (CM)

Business Development Manager Adam Brucker provided background information on the Electrical Service Schedule EDR - Economic Development Rate. The current program will expire on June 30, 2015. The proposed ordinance would re-enact the discount program from September 1, 2015 to June 30, 2018. There would be no other changes to the program.

Council Member Mounce inquired if the City verifies that the new jobs that were created to qualify a company for the discount program are maintained over the course of the 12-month discount. Mr. Brucker responded that currently there are no checks in place, but staff can work on implementing an audit procedure. Council Member Mounce expressed concern that once a business qualified for a discount that it would then lay off the new employees but continue to receive the discount for the rest of the year. Deputy City Manager Jordan Ayers responded that Utility Billing staff do verify that a business has qualified for the discount but they do not physically go to the business; the verification process can be formalized.

In response to Council Member Mounce's question regarding the ratio of new businesses to new jobs, Mr. Brucker responded that he does not have a ratio, but in the past two years, applications for the program have totaled about 150 new jobs and 15 new businesses.

In response to Council Member Nakanishi's question regarding the longevity of the businesses applying for the discount, Mr. Brucker replied that in the time that he has been with the City, all of the companies have remained in business.

Council Member Nakanishi stated that he supports the program, as it is important to attract new businesses to Lodi.

Council Member Mounce stated that residents are subsidizing the discounts and that she hopes this is offset by other benefits to the citizens. In response, City Manager Schwabauer stated that General Mills is a phenomenal example of how large industrial users may be receiving a reduced rate but cannot truly be said to be subsidized by the ratepayers of the City. General Mills pays for 100% of the cost of its power and pays an additional \$1,000,000 per year into the maintenance and operations of the City's systems. The City will still have the same maintenance and operations costs once General Mills leaves; having a discount program in place encourages the large volume users to stay. Encouraging large volume users to stay and help pay for the maintenance and operations costs benefits the rate payers in the end. In response to Council Member Mounce's inquiry regarding the future of General Mills' property, Mr. Schwabauer stated that the City continues to meet with General Mills and to assist in marketing and sharing the program with potential buyers.

Mayor Johnson stated that moving forward in Economic Development, the City will be asked for discount programs and incentives, whether it be a new tenant for General Mills or other vacant industrial areas east of the City; it is part of the economic reality in the state of California.

Council Member Nakanishi stated that the discounts are a cost of doing business; the City is recouping the cost of the electricity plus some profit.

Mayor Pro Tempore Chandler made a motion, second by Council Member Kuehne, to introduce Ordinance No. 1906 amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by

repealing and re-enacting Section 13.20.315(C), "Schedule EDR - Economic Development Rate," to re-enact the Utility Rate Discount from September 1, 2015 to June 30, 2018.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:23 p.m.

ATTEST:

Pamela M. Farris
Deputy City Clerk