

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JULY 6, 2016**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of July 6, 2017, was called to order by Mayor Chandler at 5:30 p.m.

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

Absent: None

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

NOTE: Council Member Nakanishi arrived at 5:36 p.m.

C-2 Announcement of Closed Session

- a) Actual Litigation: Government Code §54956.9(a); One Case; Andrew Perales v. City of Lodi, et al., U.S. District Court, Eastern District of California; Case No. 2:15-CV-01107-MCE-CKD (CA)
- b) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Suit by Byron D. Tiger against City of Lodi Based on Personal Injury (CA)
- c) Conference with Legal Counsel - Anticipated Litigation - Significant Exposure to Litigation Pursuant to Government Code §§54956.9(d)(2) and 54956.9(e)(1); One Case; Shall Not Be Disclosed, Due to Facts and Circumstances Not Yet Known to Potential Plaintiffs (CA)

C-3 Adjourn to Closed Session

At 5:30 p.m., Mayor Chandler adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:19 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:00 p.m., Mayor Chandler reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

Items C-2(a), C-2(b), and C-2(c) were discussion and direction only with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of July 6, 2016, was called to order by Mayor Chandler at 7:00 p.m.

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

Absent: None

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

B. Presentations - None

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

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, 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 Kuehne, and Mayor Chandler

Noes: None

Absent: None

C-1 Receive Register of Claims in the Amount of \$6,141,430.44 (FIN)

Claims were approved in the amount of \$6,141,430.44.

C-2 Approve Minutes (CLK)

The minutes of June 7, 2016 (Shirtsleeve Session), June 14, 2016 (Shirtsleeve Session), and June 21, 2016 (Shirtsleeve Session) were approved as written.

C-3 Adopt Resolution Authorizing City Manager to Accept Donation from the Lodi Police Partners' Foundation for the Purchase of a Vehicle and Appropriating Funds (\$20,463.90) (PD)

Adopted Resolution No. 2016-111 authorizing the City Manager to accept donation from the Lodi Police Partners' Foundation for the purchase of a vehicle and appropriating funds in the amount of \$20,463.90.

C-4 Adopt Resolution Awarding Bids for Purchase of Polemount Transformers from HEES Enterprises, of Astoria, Oregon (\$67,836.96) and Central Moloney, of Pine Bluff, Arkansas (\$14,590.80) (EU)

Adopted Resolution No. 2016-112 awarding bids for the purchase of polemount transformers from HEES Enterprises, of Astoria, Oregon, in the amount of \$67,836.96, and Central Moloney, of Pine Bluff, Arkansas, in the amount of \$14,590.80.

C-5 Adopt Resolution Awarding Bids for Purchase of Padmount Transformers from Central Moloney, of Pine Bluff, Arkansas (\$46,548); Pacific Utilities, of Concord (\$12,722.40); and HEES Enterprises, of Astoria, Oregon (\$141,963.84) (EU)

Adopted Resolution No. 2016-113 awarding bids for the purchase of padmount transformers from Central Moloney, of Pine Bluff, Arkansas, in the amount of \$46,548; Pacific Utilities, of Concord, in the amount of \$12,722.40; and HEES Enterprises, of Astoria, Oregon, in the amount of \$141,963.84.

C-6 Adopt Resolution Awarding Contract for Kofu Park Americans with Disabilities Act Improvements Project to A. M. Stephens Construction Company, Inc., of Lodi (\$92,050) (PW)

Adopted Resolution No. 2016-114 awarding the contract for Kofu Park Americans with Disabilities Act Improvements Project to A. M. Stephens Construction Company, Inc., of Lodi, in the amount of \$92,050.

C-7 Adopt Resolution Awarding Contract for Blakely Park Restroom Demolition to Jim Thorpe Oil, Inc., of Lodi (\$23,924) (PRCS)

Adopted Resolution No. 2016-115 awarding the contract for Blakely Park Restroom Demolition to Jim Thorpe Oil, Inc., of Lodi, in the amount of \$23,924.

C-8 Accept Improvements Under Contract for Michael David Winery Force Main Project (PW)

Accepted the improvements under contract for Michael David Winery Force Main Project.

C-9 Adopt Resolution Authorizing City Manager to Execute Agreement with Lodi Unified School District for Two School Resource Officers (\$301,410) (PD)

This item was removed from the Consent Calendar at the request of Mayor Pro Tempore Kuehne for discussion purposes.

In response to Mayor Pro Tempore Kuehne, Police Chief Tod Patterson stated that he did not have specific numbers on the level of police activity at the schools, but explained that officers are called to the school by school administration quite often or are already on the school site when asked to counsel a student or sit in on a meeting. He stated that patrol staff picks up the slack because School Resource Officers (SRO) are extremely busy at the schools. Chief Patterson stated that staff plans to track data going forward to record specific numbers. In further response, Chief Patterson stated the SROs are a deterrent to crime at the schools; they handle traffic enforcement; teach the Gang Reduction, Intervention, and Prevention Program; coach and mentor students to keep them out of trouble; and have a superb relationship with the City's Outreach Worker.

Council Member Mounce stated that both she and Council Member Johnson serve on the Lodi Unified School District 2x2 Committee and the subject of the SROs is a consistent topic of discussion. She stated that the School District appreciates having these officers on site because their presence makes a difference in the number of fights and general protection of the school. The officers work with the Outreach Worker on gang activity and have built relationships with the students that help deter bad behavior going forward. She believed this was a good investment for the youth of this community.

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-123 authorizing the City Manager to execute agreement with Lodi Unified School District for two School Resource Officers in the amount of \$301,410.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

C-10 Adopt Resolution Authorizing City Manager to Execute Agreement with CDW-G, of Chicago, Illinois, to Consolidate PD.LODI.GOV and LODI.GOV Domains (\$26,280) (CM)

Adopted Resolution No. 2016-116 authorizing the City Manager to execute agreement with CDW-G, of Chicago, Illinois, to consolidate PD.LODI.GOV and LODI.GOV domains in the amount of \$26,280.

C-11 Adopt Resolution Authorizing City Manager to Execute Second Phase Agreement for Renewable Energy Power Purchase Agreement with Northern California Power Agency (EU)

This item was removed from the Consent Calendar at the request of a member of the public.

Margaret Foley expressed confusion about who was purchasing from whom and the purpose of the contract. City Manager Schwabauer stated that Lodi Electric Utility (LEU) is purchasing from Northern California Power Agency (NCPA).

Electric Utility Director Elizabeth Kirkley further explained that NCPA is entering into an agreement with LEU, along with other interested NCPA agencies, to procure renewable energy

resources in response to the State mandate to attain a 33 percent renewable energy level by the year 2020. She stated this is the lowest-cost method to procure those resources.

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2016-124 authorizing the City Manager to execute Second Phase Agreement for Renewable Energy Power Purchase Agreement with Northern California Power Agency.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

C-12 Adopt Resolution Authorizing City Manager to Execute Amendment No. 1 to Professional Services Agreement with Terracon, Inc., Formerly Known as Neil O. Anderson & Associates, Inc., of Lodi, for Construction Testing and Inspection Services (\$50,000) (PW)

Adopted Resolution No. 2016-117 authorizing the City Manager to execute Amendment No. 1 to Professional Services Agreement with Terracon, Inc., formerly known as Neil O. Anderson & Associates, Inc., of Lodi, for construction testing and inspection services in the amount of \$50,000.

C-13 Adopt Resolution Ratifying the Lodi Police Department's Application Submission for Lodi's Share of the 2016 Edward Byrne Memorial Justice Assistance Grant (\$22,863) (PD)

Adopted Resolution No. 2016-118 ratifying the Lodi Police Department's application submission for Lodi's share of the 2016 Edward Byrne Memorial Justice Assistance Grant in the amount of \$22,863.

C-14 Authorize City Manager to Apply for a Community Grant from Wal-Mart (FD)

This item was removed from the Consent Calendar at the request of a member of the public.

Margaret Foley questioned the purpose of the grant.

Fire Chief Larry Rooney stated this is a community grant from Wal-Mart to support the Vial of Life Program, which encourages individuals to keep a vial in the refrigerator with a list of medications, medical conditions, and any information responding firefighters should know when arriving on scene. The grant amount is at the discretion of Wal-Mart. In further response to Ms. Foley, Chief Rooney confirmed that the vials are not purchased through Wal-Mart.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to authorize the City Manager to apply for a community grant from Wal-Mart.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

C-15 Adopt Resolution Authorizing City Manager to Accept Funding Allocation from California Office of Emergency Services, Approving Expenditures, and Appropriating Funds (\$364,000) (PD)

Adopted Resolution No. 2016-119 authorizing the City Manager to accept funding allocation from California Office of Emergency Services, approving expenditures, and appropriating funds in the amount of \$364,000.

C-16 Adopt Resolution Authorizing City Manager to Donate One Retired 1920's Seagrave Fire Engine to the Lodi Fire Department Association, Inc., and Authorizing City Manager to Execute Hold Harmless Agreement (FD)

Adopted Resolution No. 2016-120 authorizing the City Manager to donate one retired 1920's Seagrave Fire Engine to the Lodi Fire Department Association, Inc., and authorizing the City Manager to execute Hold Harmless Agreement.

C-17 Adopt Resolution Rescinding Resolution 2002-161 in Its Entirety, Which Establishes a \$100 Deposit for Posting of Temporary Political Signs (CLK)

Adopted Resolution No. 2016-121 rescinding Resolution 2002-161 in its entirety, which establishes a \$100 deposit for posting of temporary political signs.

C-18 Adopt Resolution Making Determination Net Energy Metering Aggregation (NEMA) Results in Cost Shift to Customers Without Eligible On-Site Renewable Generation and to Prohibit NEMA in the Lodi Electric Utility Service Territory (EU)

This item was removed from the Consent Calendar at the request of a member of the public.

Margaret Foley requested clarification on the purpose of this agenda item.

Electric Utility Director Elizabeth Kirkley stated that utilities are required by law to allow customers to install one solar installation per meter on their property. There is an option for customers to request a larger solar system, which would offset more than one meter. If the customer generates more energy than what they use, the utility is required to pay them at a retail rate versus the wholesale rate that Lodi Electric Utility paid for the energy. That is a cost shift because Lodi is paying higher prices for solar generation and this option would increase the cost shift even more.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2016-125 making determination Net Energy Metering Aggregation (NEMA) results in cost shift to customers without eligible on-site renewable generation and to prohibit NEMA in the Lodi Electric Utility service territory.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

C-19 Adopt Resolution Declaring Intention to Annex Territory (The Vine Subdivision) to Community Facilities District No. 2007-1 (Public Services) and to Levy a Special Tax to Pay for Certain Services (Annexation No. 4); and Set Public Hearing for August 17, 2016 (PW)

Adopted Resolution No. 2016-122 declaring intention to annex territory (The Vine Subdivision) to Community Facilities District No. 2007-1 (Public Services) and to levy a special tax to pay for certain services (Annexation No. 4); and set public hearing for August 17, 2016.

C-20 Set Public Hearing for July 20, 2016, to Consider Adopting Resolution Approving the Planning Commission's Recommendation to Authorize Six Low-Density Residential Growth Management Allocations for the 950 South Garfield Subdivision (CD)

Set public hearing for July 20, 2016, to consider adopting resolution approving the Planning Commission's recommendation to authorize six Low-Density Residential Growth Management Allocations for the 950 South Garfield Subdivision.

C-21 Set Public Hearing for July 20, 2016, to Consider Introducing an Ordinance Amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by Repealing and Re-Enacting Sections 13.20.190, "Schedule EA (Residential Service)," and 13.20.210, "Schedule EM (Mobile Home Park Service)," in Their Entirety (EU)

Set public hearing for July 20, 2016, to consider introducing an ordinance amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by repealing and re-enacting Sections 13.20.190, "Schedule EA (Residential Service)," and 13.20.210, "Schedule EM (Mobile Home Park Service)," in their entirety.

- 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.

Jane Lea, who resides near Lodi Lake, commented on the Fourth of July celebration at the lake, stating there were problems with the detour and one-way traffic, trash on the streets following the event, and the uptick in illegal fireworks. Council voted five years ago to allow safe and sane fireworks for the benefit of non-profit organizations, and she believes that the City now has an unenforceable ordinance. Ms. Lea stated this year seemed to be the worst with illegal fireworks beginning at 7 a.m. and lasting until late in the night and aerial fireworks displays coming from every portion of town, including the Woodbridge area. Illegal fireworks put public property at risk and have negative effects on military veterans who suffer from Post Traumatic Stress Disorder, animals who are frightened by the sounds, and those trying to sleep because they work the next day. She requested that Council rescind the fireworks ordinance.

Council Members Nakanishi and Mounce and Mayor Chandler all agreed that Council should revisit the fireworks ordinance before the next Fourth of July.

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

Mayor Pro Tempore Kuehne reported that he attended the National Association of Regional Councils (NARC) conference in Salt Lake City at the request of San Joaquin Council of Governments and stated he was pleased to learn that Lodi is already participating in the Complete Streets guidelines, which is the gold standard for bike and pedestrian paths. He reported that, at the Local Agency Formation Commission level, discussions are taking place about consolidating fire districts and the San Joaquin County Grand Jury released a report on the matter. While at the NARC conference, Mayor Pro Tempore Kuehne stated he learned that the Salt Lake City homeless program that Lodi was going to emulate has not been successful. Several Salt Lake City representatives indicated that the program, designed to reduce homelessness, cost millions of dollars and proved to be a failure; however, he hopes to learn from their mistakes.

Council Member Mounce reported that last week she attended the League of California Cities Executive Forum, at which there was a session on team building. The current League President from Rancho Cucamonga shared that his Council conducts a team-building session every year with an outside facilitator. Even though they do not always agree, they are respectful of one another and work well together. She requested Council consider team-building sessions using the same facilitator as Rancho Cucamonga. Additional breakout sessions from the Forum included discussions on: 1) leadership, at which it was pointed out that it is healthy to have differing opinions in order to better represent a community; and 2) economic changes, including the future costs related to the California Public Employees Retirement System. Council Member Mounce reported that at the League Board meeting she was nominated as President of the League and that she will be sworn in at the Annual League Conference in October. Further, Council Member

Mounce stated that it has been 60 years since the motto "In God We Trust" was adopted and 10 years since Lodi adopted the motto and displayed the plaque in the Carnegie Forum lobby. Council Member Mounce welcomed the new Lodi News-Sentinel reporter, Danielle Vaughn.

Mayor Chandler also welcomed Ms. Vaughn, stating she interviewed him recently via phone and he found her to be bright and accurate with quotes. Mayor Chandler congratulated Council Member Mounce on her leadership role at the League and in her representation of Lodi. He stated that the July 1 Celebrate America event at Hutchins Street Square was a lovely evening on the lawn and he was proud of the Fire Department with its flag raising and of student Davis Mahoney who sang the National anthem that night. He stated that Kiwanis once again hosted the pancake breakfast at the Fourth of July event at Lodi Lake and that Kiwanis donated and built the new shade structure for \$65,000 over a ten-day period. Mayor Chandler stated that Kiwanis presented a proclamation to the City at the event, officially presenting the shade structure to the City of Lodi Parks and Recreation Department for the enhancement of Lodi Lake Park and the community's use, which he forwarded to the City Clerk for display at the City.

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

None.

G. Public Hearings - None

H. Communications

H-1 Appointments to the Lodi Arts Commission, Planning Commission, and Library Board of Trustees; and Re-Post for Vacancies on the Lodi Arts Commission and Greater Lodi Area Youth Commission (CLK)

City Clerk Ferraiolo reported that the Mayor recommended appointments to the Lodi Arts Commission, Planning Commission, and Library Board of Trustees and requested that Council concur with the appointments and direct the City Clerk to post for the remaining vacancies on the Lodi Arts Commission and the Greater Lodi Area Youth Commission.

Council Member Mounce stated that she appreciates that the Mayor interviewed the applicants and trusts he demonstrated good faith and responsibility in making his decision without playing politics. She expressed her disappointment that the Mayor was not reappointing long-term Planning Commissioner Wendel Kiser. She stated that Mr. Kiser is a stellar commissioner, has great attendance, works in construction, and is dedicated to the City and she hoped he was not passed over because he ran for City Council at the last election or because she endorsed him. Council Member Mounce believed that Mr. Kiser does not always stand with the majority and may not represent the opinion of the Chamber of Commerce, but he brings a different view to the Commission, and, when making appointments, the overall make-up of a commission should be considered to ensure every opinion is represented and reflective of the community.

MOTION: Council Member Mounce made a motion to postpone the appointments to the Planning Commission.

SECOND: Council Member Nakanishi stated he believes appointments should be the Mayor's prerogative, but Mr. Kiser has served on the Commission for 10 to 15 years and has performed well in his capacity; therefore, he seconded the motion for discussion purposes.

DISCUSSION: Council Member Mounce recounted that when she was Mayor in 2012, one of her recommended appointments was rejected by Council because it was felt the candidate did not have the background and experience to serve on the committee and later during that term, her recommendation to replace a long-term member of the Recreation Commission was rejected by Council because it did not want to penalize a member who contributed significantly to the Commission. That appointment was postponed long enough for the next Mayor, Alan Nakanishi, to make the appointment. She believed Mr. Kiser was the right choice for the Planning Commission and she would like him to have the opportunity to serve another term.

Council Member Johnson countered that his recollection of the rejected appointments differed from that of Council Member Mounce. He recalled that he initiated the motion to reject one of the recommendations because the individual's application only listed high school graduation as experience and there was no mention of capabilities that qualified the individual to serve on the Lodi Budget/Finance Committee. He felt the application contained little information to determine whether or not the individual was capable of contributing to the Committee. With regard to the long-standing Recreation Commissioner, he stated that Council Member Mounce previously insisted that all applicants be interviewed, but, in this case, roughly half of the 13 applicants were not interviewed. He believed at the time that it was impossible to determine who was qualified and who was not, and he suggested that the process be held over to the next meeting, at which time the new Mayor would make the recommendation. If the new Mayor, after conducting interviews, made the same recommendations, he would have supported the motion. Council Member Johnson further added that Council Member Mounce strongly advocates diversification on commissions, and this nomination would add two women to the Planning Commission, each of whom would have differing opinions and diverse input.

Council Member Mounce countered that diversity should not come at the cost of losing historical information and dedication.

Mayor Pro Tempore Kuehne appreciated the time and effort the Mayor expended to ensure each applicant was interviewed and the value of his selections. He believed the Mayor did his due diligence and stated he would support the recommendations.

Mayor Chandler described his process and method for determining his nominations. There was a strong pool of candidates for the Planning Commission with eight applicants and a wide range of backgrounds. In reviewing applications, he considered each candidate's occupation, experience, education, and volunteer service. During the interview process, he considered each candidate's reason and motivation for serving on the Commission. He also spoke with staff and past members of the Commission and reviewed Planning Commission minutes for context. The two nominees that stood out were Crystal Kirst and Tiffany Gomes because they were the best-qualified candidates due to their occupations, licenses pertinent to Planning Commission operations, experience, and their desire to serve. Both candidates have received service awards and community recognition; their applications were organized and extensive; they paid attention to detail; and their vision for the future was strong on economic development. Mayor Chandler stated, at Council Member Mounce's request, he conducted a second review of the applications and his notes prior to the meeting, and he is even more convinced of his recommendations.

Council Member Mounce appreciated that Mayor Chandler conducted phone interviews, stating that she always did her due diligence with the interview process, but she did not stop the process because applicants failed to return her call for an interview. She stated that she believes Mr. Kiser has done an amazing job on the Planning Commission, he has a contractor's license, is a contributing member of the community, and brings a different view to the Commission. She further stated there appears to be too many economic and Chamber representatives on the Commission and that Mr. Kiser brings a slow growth concept to the Planning Commission, which a majority of the community supports. Council Member Mounce expressed concern that Mr. Kiser is being passed up for this reappointment because he was an opponent in the last election and that the Mayor informed Mr. Kiser he would be reappointed.

Mayor Chandler stated he was disappointed in the implication that this recommendation has anything to do with the election and confirmed that he did not make any assurances to Mr. Kiser that he would be reappointed.

SECOND WITHDRAWN: Council Member Nakanishi stated he supports the Mayor's recommendation and **withdrew** his second on the motion to postpone the Planning Commission appointments; therefore, the motion **failed**.

Council Member Johnson made a motion, second by Mayor Pro Tempore Kuehne, to make the following appointments and direct the City Clerk to re-post for the following vacancies:

Appointments:

Lodi Arts Commission

Richard Vasquez, term to expire July 1, 2019

Planning Commission

Tiffany Gomes, term to expire June 30, 2020

Crystal Kirst, term to expire June 30, 2020

Library Board of Trustees

Terry Costa, term to expire June 30, 2019

Scot Martin, term to expire June 30, 2019

Postings:

Lodi Arts Commission

2 vacancies, terms to expire July 1, 2019

(open until filled)

Greater Lodi Area Youth Commission

5 Student vacancies, terms to expire May 31, 2018

1 Adult Advisor vacancy, term to expire May 31, 2019

(30-day posting)

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

NOTE: Council Member Mounce remained silent on the vote (per Lodi Municipal Code Section 2.04.140, her vote is recorded as a "yes" vote).

I. Regular Calendar

- I-1 Introduce Ordinances Enacting a Special Transactions and Use Tax for Parks and a Special Transactions and Use Tax for Public Safety (Police and Fire), to be Collected and Administered by the State Board of Equalization, Subject to Adoption by the Electorate; Adopt Resolutions Calling for an Election to Ask the Voters of the City of Lodi to (i) Approve a Special Transactions and Use Tax for Parks in the Amount of One-Eighth Cent per Dollar (0.125 Percent) for a Period of 15 Years, with the Use of the Tax Revenue to be Used Exclusively for Parks Repairs, Maintenance, Improvements, and Upgrades, and to be Reviewed by an Independent Citizens Oversight Committee, and (ii) Approve a Special Transactions and Use Tax for Public Safety in the Amount of One-Quarter Cent per Dollar (0.25 Percent) for 15 Years, with the Use of the Tax Revenue to be Used Exclusively for Increased Staffing and Training of Police and Fire Personnel, and to be Reviewed and Reported on by an Independent Citizens Oversight Committee and Further Requesting that the Board of Supervisors for the County of San Joaquin Consolidate the Election with the Established Election to be Held on November 8, 2016, and Direct the Registrar of Voters to Conduct the Election of the City's Behalf (CM)

City Manager Schwabauer presented a PowerPoint presentation regarding the proposed transactions and use tax measures for Parks and Public Safety (Police and Fire). Specific topics of discussion included recommended action, previous Council direction, reasons behind the proposed measure, use of funds, Parks community survey in 2015, and outcomes without the additional revenue.

Police Chief Tod Patterson reported that the main function of the Police Department is patrol, which ideally should be covered by 36 officers. Presently, however, there are 28 officers working patrol, and the Department is forced to move officers around to ensure adequate coverage. There are currently no traffic or bike patrol units because those officers are assigned to cover patrol, and officers are forced to work multiple beats at a time. The Police Department is experiencing the highest call volume it has ever seen, and each call generally ties up two officers. Chief Patterson compared data from 2011 to present, stating there has been a 10.2 percent increase in calls for service in the first six months of 2016; a 12.9 percent increase in officer-related shootings; a 272 percent increase in calls relating to transients; and a 2-minute increase in response time for high priority calls and a 15-minute increase for non-priority calls, which is of great concern to the Department. With what the Department is currently facing, the proposed sales tax measure would provide additional officers to deal with the increased demand for service.

Fire Chief Larry Rooney reported that, without additional funding, the Fire Department does not have adequate fire coverage for the downtown area because it is without a fire engine. Currently, a fire truck is utilized to respond to calls, and the fire captains are forced to make decisions on whether to use the engine or ladder truck, which puts a significant amount of stress on the engine. Downtown is one of Lodi's jewels, but it has aging buildings with basements, many of which lack adequate fire protection, unlike the newer portions of town that are built with full fire-protection systems. Firefighters are required to log a certain amount of training hours, particularly specialized training for hazmat and technical rescue, but the training budget has been cut by \$20,000 a year, which only allows for basic-level training. Chief Rooney stated the Department is doing what it can to ensure officers are trained, mostly through overtime hours, but it is important to meet the mandated training requirements. The spending plan presented by the Fire Department would not increase the impact on the California Public Employees Retirement System (Cal-PERS) obligation, but it will put the fire engine back in service and provide additional training to Fire personnel.

Parks, Recreation, and Cultural Services Director Jeff Hood reported that capital improvement projects for the Department are only possible because of grant money, donations, Hutchins Street Square Foundation funding, public benefits funds, and Community Development Block Grant funding. Unfortunately, many of the grant submissions are unsuccessful, such as attempts to fund erosion repairs at Lodi Lake and repairs to the south side parking lot at Lodi Lake. Many of the playgrounds are more than 30 years old and are in need of repair, and some of the playground equipment has been moved out of parks entirely due to safety concerns. Staffing levels have decreased by 30 percent, while new park land has been added that requires maintenance, improvements, and repair. If the proposed spending plan does not move forward, the Department will only be able to proceed with the tasks listed in the first column of the plan over the next 15 years.

Mayor Chandler expressed concern that the public may misunderstand the measure and believe it will address the Cal-PERS issue. Mr. Schwabauer stated the City is faced with a significant pension issue and confirmed that, if dollars were not obligated to fulfill the Cal-PERS obligation, they could be assigned to Parks and Public Safety programs. The City Council is not capable of solving the pension crisis that faces California cities because it is State law that defines participation and how much cities will pay and what benefits they will receive. It is possible to leave Cal-PERS on a forward basis, but not backwards because those benefits were already earned and are protected. In order to leave on a forward basis, the City would be required to pay back the unfunded liability, but not at the normal rate. The potential bill for leaving Cal-PERS could be \$100 million, which would require a pension bond with interest; however, in reality, the bill would likely be \$300 million because there is no discount rate and the interest is added. If Cal-PERS were to lose the money, the City would still be required to pay back that money. Mr. Schwabauer used Stockton as an example of a city that attempted to leave Cal-PERS under that scenario and the resulting devastation after Cal-PERS lost its money. He stated that, bottom line, it is possible to leave Cal-PERS legally, but it would be difficult, complicated, and a significant financial commitment and risk to the City, all of which is outside of Lodi's abilities. He explained that the proposed sales tax measure is structured so that dollars are only spent on

additional officers, not for the Cal-PERS crisis, and there is a contingency built into the ordinance should the general fund not be able to support an economic crisis.

In response to Council Member Mounce, Mr. Schwabauer explained this is a special tax, which means the dollars can only be used on the outlined program, and it requires four votes of the City Council to place it on the ballot and a supermajority vote (2/3 vote) of the electorate to pass.

Mayor Pro Tempore Kuehne explained that the Council's vote tonight does not approve a tax increase; it is a vote to place the measure on the ballot and give the citizens an opportunity to decide to increase the sales tax or not, in return for improved parks and additional officers. Mr. Schwabauer explained that State law sets forth a specific procedure that must be followed for sales tax initiatives, stating it must have a 4/5 vote of the Council to place it on the ballot. He stated that Council is obligated to pass the sales tax initiative prior to placing the measure on the ballot; otherwise, the State Board of Equalization could rule that the tax, if passed by the voters, is not legal. In that case, the City would lose the new tax and could potentially lose its existing tax.

In response to Council Member Nakanishi, Mr. Schwabauer, using the citizen-driven sales tax initiative from 2008, explained that if the measure had passed on the ballot without Council's approval, the State Board of Equalization would have opined that Lodi had an illegal sales tax and would, therefore, not allow the tax from the initiative and likely retain the one cent tax Lodi currently receives and pass it onto the County instead.

Mayor Pro Tempore Kuehne stated that Lodi is on the low side of the tax bracket in San Joaquin County. He stated he does not take this decision lightly and pointed out that Lodi needs additional Police and Fire personnel, Lodi Lake is deteriorating, and if the City does not take action, there is little that can be done to correct it.

Jim Shoemaker expressed opposition to the sales tax measure and suggested that instead an item be placed on the ballot to lower taxes, starting with the Electric Utility rates. With regard to crime statistics and fewer officers, Mr. Shoemaker suggested issuing conceal carry permits, deputizing volunteers in the Police Department, and utilizing a volunteer Fire Department as a supplement. On the Parks side, he suggested that local business entities aid in the erosion repair at Lodi Lake, stating that trucks could dump rocks into the Lake to halt the erosion. Mr. Shoemaker stated he believes there are viable alternatives for consideration before placing a sales tax measure on the ballot. He further questioned what will happen in 15 years when the sales tax sunsets.

Rob Shepard, representing the Booster of Boys/Girls Sports Organization, expressed support for the ballot measure, stating the City has a number of ballparks, diamonds, and fields that are slowly deteriorating and this money would improve lighting and sprinkler systems at parks and add efficiencies. Lodi hosts a number of tournaments that bring other teams to the community's facilities. He stated staff does a valiant job maintaining the facilities, but there are a number of issues that need to be addressed and this measure will benefit the City.

Alex Aliferis expressed opposition to the proposed sales tax measure and provided statistics on California taxes, stating it is the highest in the nation, along with the gas tax, cap and trade tax, development impact fees, permit costs, and the Proposition 13 tax. He stated that young people cannot afford to buy a house with those taxes and fees. Further, he stated that the average California firefighter is paid 60 percent more while police officers are paid 68 percent more; electric costs are significantly higher, especially commercial rates; and businesses are leaving California because of the high rates and spiraling pension costs. He, too, questioned what will happen when the tax sunsets in 15 years and whether the officers hired with the funding will be laid off or if the sales tax would be extended. With regard to Parks, he questioned where the deferred maintenance is in its budget and stated that, despite previous cuts, salaries and pensions have increased. He stated that he believed the public wants lower taxes and pension reform.

Greg Goehring expressed opposition to the proposed sales tax measure, stating that Lodi should appreciate and hold onto its low sales tax relative to other counties. He stated that the pension

system is the problem because those dollars that could be used on officers and parks are designated to Cal-PERS. He believed Lodi did not have a revenue problem; rather, it has a pension problem. Mr. Goehring stated that it is unlikely both measures will receive the 2/3 majority vote to pass and pointed out that Council Members were elected to solve problems in Lodi in a fiscally-conservative manner, not to raise taxes on citizens. If the measure is defeated, the City will continue to be faced with the same problems: spiraling pension costs, inadequate funding for Parks, and staffing and training issues in Police and Fire. He agreed with Mr. Shoemaker that the City needs to discover alternative solutions before raising taxes.

RECESS

At 8:37 p.m., Mayor Chandler called for a recess; the meeting reconvened at 8:44 p.m.

Ed Miller expressed support for placing the sales tax measures on the ballot, stating that citizens should have the opportunity to decide the future of parks and public safety. He stated he was uncertain how Parks will get out of the red without the measure and that he is a supporter of Police and Fire as long as it does not deepen the unfunded Cal-PERS liability.

Pat Patrick, President and CEO of the Lodi District Chamber of Commerce, stated that the Chamber membership has yet to take a formal position on the proposed ballot measure, but he reported that many of the members are less than supportive of the proposal, especially on the heels of a minimum wage increase. He stated it is difficult being in business in California and this increase, although not significant, will bend the backs of business owners that are already bent from the high cost of doing business. Mr. Patrick stated that the Chamber does not support faster growth than the current 2 percent rate, but the cost of City business is growing faster than the City's growth rate. He was supportive of growing the tax base and bringing in more jobs and expressed concern that some Council Members voted against Reynolds Ranch and developing out the corners of town. He believed Council's established number one goal of economic development and job creation should be the priority.

Steve Dutra, City of Lodi Park Superintendent, stated that in 1980 Lodi had 24 field staff and now there are 11 and there were 80 to 100 acres less to maintain and fewer facilities to operate at that time. He stated it is difficult to maintain the current parks systems, protect the assets, and provide the expected services. Mr. Dutra stated he was uncertain whether the sales tax measure was the ideal answer, but he was certain the funds will help toward improving the parks system and providing the services the public expects.

Mr. Schwabauer, in response to some of the public comments, stated that he could not recommend utilizing sworn volunteers in the Police Department because of the liability issue, the public's expectations of response to a threat that has increased the challenge of the job, and the significant amount of training that officers are required to receive. The City would put itself at risk associated with the financial cost of a potential lawsuit. Mr. Schwabauer stated there are specific programs that allow citizens to assist the Police Department, which the City welcomes because it reduces the amount of work on officers, but sworn civilians is not recommended. With regard to dumping gravel and rock in the Lake to halt erosion, Mr. Schwabauer stated there was a time when that was possible, but today's State regulations do not allow that, and it would cost the City millions of dollars in fines. He stated the only solutions are ones that can be accomplished legally and financially that are possible within the imposed requirements. Mr. Schwabauer pointed out there was a proposition on the ballot regarding green power, which the majority of citizens voted in favor of, and now utilities must buy green power, which drives up the cost of power. Mr. Schwabauer provided a detailed description on the breakdown of property and sales tax, stating that Lodi receives roughly \$9 million a year in property taxes and \$11 million in sales tax, for a total of \$20 million a year; however, the Police and Fire Department budgets total \$27 million a year. Other sources of revenue are necessary to make up the difference, but the Electric Utility in-lieu tax of \$7 million is still inadequate to pay Police and Fire services completely. In summary, Mr. Schwabauer explained that the actual amount of taxes each household pays for services is not enough to maintain the level of service that citizens expect.

Council Member Nakanishi stated he would not support the proposed sales tax measure and believed it was not prudent to increase taxes especially if another recession hits, which could

force cities to downsize and turn to a tax increase at that time for relief. To date, Lodi has avoided tax increases because of good fiscal spending. Council Member Nakanishi suggested an alternative is to utilize the economic reserve fund to pay for Lodi's needs, along with other options.

Council Member Mounce stated she is not an advocate of sales tax or rate increases, adding that she has not voted in favor of the small increases on solid waste, water, and wastewater. She stated it is a difficult decision on whether or not to put this measure on the ballot; however, she is frustrated with the unfunded State mandates and the lack of choices cities have on certain matters, and this measure would give citizens a choice if they want to pay more for improved police and fire protection and safer parks. Council Member Mounce recalled that she strongly urged Council to place the redevelopment issue on the ballot to give citizens a voice in the matter; instead, the community qualified it for the ballot where it ultimately failed. She stated she was thankful the measure failed because, after the Governor ended redevelopment, the City could have gone bankrupt. She further explained that she voted no on the Reynolds Ranch Project based on housing concerns, not economic, and she voted against Wal-Mart because the square footage, most of which is for grocery products, would not generate enough sales tax to support even one Police Officer. She stated she stands by her votes and pointed out that Council needs her support on this matter if it wants the measure on the ballot. She stated she would support the proposal so that the public can choose the future of the community.

Mayor Chandler agreed, stating he normally would not support an increase in taxes and would rather grow the economy, but this decision should go to the vote of the people.

Council Member Johnson stressed that cities are faced with the same problem: the State legislature is forcing unfunded mandates on cities. This measure is an opportunity for citizens to vote one way or another. In response to Council Member Mounce's comments, Council Member Johnson stated he was a proponent of redevelopment, but once it was voted down by the public, he did not lament over it for years. With regard to the vote on Reynolds Ranch, he stated the issue started out as job creation and a way to grow the economy, not housing. The City recently lost General Mills, but new owners are working to retenant the site and Cepheid is expanding in town. He stressed that Lodi needs to be prepared when new businesses come into town in order to generate new jobs. He stated the sales tax measure is not the ideal solution, but he believed Council should vote to place the measure on the ballot and let the people decide whether to vote for it or not.

Mayor Pro Tempore Kuehne concurred he does not look favorably on increasing taxes, but Lodi is in an unfortunate position. Lodi is becoming a tourist destination, which will help to grow the sales tax revenue and this opportunity should not be missed. Mayor Pro Tempore Kuehne thanked Mayor Chandler for helping put Lodi on the map as a wine region and stressed the recent boom in bicycle tourism and the Amgen tour have all helped to increase the revenue stream without having to grow the community. The deterioration of parks and the lack of staffing and training in Police and Fire is a current reality, which is why the proposal includes a sunset because good management and improved tourism may help increase the revenue stream into the future.

In response to Mayor Chandler, Mr. Schwabauer confirmed that the proposal includes a citizens oversight committee. Staff and Council will be obligated to report to the committee, which will be appointed by Council, the amount of income raised by the measure and the amount of expenditures made. The committee will then issue a report that either indicates the funds were spent consistent with the plan or not. This is an opportunity to hold the City's feet to the fire.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, to introduce Ordinance No. 1925 enacting a special transactions and use tax for Parks and Ordinance No. 1926 enacting a special transactions and use tax for Public Safety (Police and Fire), to be collected and administered by the State Board of Equalization, subject to adoption by the electorate; adopt Resolution No. 2016-126 and 2016-127 calling for an election to ask the voters of the City of Lodi to (i) approve a special transactions and use tax for Parks in the amount of one-eighth cent per dollar (0.125 percent) for a period of 15 years, with the use of the tax revenue

to be used exclusively for Parks repairs, maintenance, improvements, and upgrades, and to be reviewed by an independent citizens oversight committee, and (ii) approve a special transactions and use tax for Public Safety in the amount of one-quarter cent per dollar (0.25 percent) for 15 years, with the use of the tax revenue to be used exclusively for increased staffing and training of Police and Fire personnel, and to be reviewed and reported on by an independent citizens oversight committee and further requesting that the Board of Supervisors for the County of San Joaquin consolidate the election with the established election to be held on November 8, 2016, and direct the Registrar of Voters to conduct the election of the City's behalf.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Nakanishi

Absent: None

I-2 Adopt Resolutions Setting Priorities for Filing Written Arguments Regarding the Special Transactions and Use Tax Measures for Parks and for Public Safety (Police and Fire), Directing the City Attorney to Prepare an Impartial Analysis for Each Measure, and Providing for the Filing of Rebuttal Arguments for Each Measure Scheduled for the November 8, 2016 General Municipal Election (CLK)

City Clerk Ferraiolo reported that, with the two special transactions and use tax measures (one for Parks and one for Public Safety) scheduled for the November 2016 election, it was necessary to set priorities for filing written arguments for or against each of the measures, as well as to set the deadlines. The resolutions presented to Council authorizes all members of the City Council to file a written argument in favor of or against each of the measures, directs the City Attorney to prepare an impartial analysis for each measure, and provides for the filing of rebuttal arguments for each measure. The established deadlines are July 20 for filing arguments, which shall not exceed 300 words, and July 29 for filing rebuttal arguments, which shall not exceed 250 words.

In response to Council Member Mounce, Ms. Ferraiolo confirmed the resolution does not require or obligate a Council Member to file a written argument for or against the measures; it only provides authorization should the Council, or an individual member(s), wish to file an argument.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, to adopt Resolution No. 2016-128 setting priorities for filing written arguments regarding the special transactions and use tax measures for Parks and for Public Safety (Police and Fire) and directing the City Attorney to prepare an impartial analysis for each measure; and Resolution No. 2016-129 providing for the filing of rebuttal arguments for each measure scheduled for the November 8, 2016 General Municipal Election.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

J. Ordinances

J-1 Ordinance No. 1922 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 17 - Development Code - By Repealing and Re-Enacting Chapter 17.34, 'Signs,' in Its Entirety" (CLK)

Mayor Pro Tempore Kuehne made a motion, second by Council Member Mounce, (following reading of the title) to waive reading of the ordinance in full and adopt and order to print Ordinance No. 1922 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal

Code Title 17 - Development Code - By Repealing and Re-Enacting Chapter 17.34, 'Signs,' in Its Entirety," which was introduced at a regular meeting of the Lodi City Council held June 15, 2016,

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

J-2 Ordinance No. 1923 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 9 - Public Peace, Morals, and Welfare - By Repealing Chapter 9.19, 'Political Sign Regulations,' in Its Entirety" (CLK)

Council Member Mounce made a motion, second by Mayor Pro Tempore Kuehne, (following reading of the title) to waive reading of the ordinance in full and adopt and order to print Ordinance No. 1923 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Title 9 - Public Peace, Morals, and Welfare - By Repealing Chapter 9.19, 'Political Sign Regulations,' in Its Entirety," which was introduced at a regular meeting of the Lodi City Council held June 15, 2016.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

J-3 Ordinance No. 1924 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 10.44 - Stopping, Standing, and Parking - By Repealing and Re-Enacting Section 10.44.040, 'Parking for Certain Purposes Prohibited - Display of 'For Sale' Signs on Vehicles, Vessels, or Trailers - Restrictions,' in Its Entirety" (CLK)

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, (following reading of the title) to waive reading of the ordinance in full and adopt and order to print Ordinance No. 1924 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Code Chapter 10.44 - Stopping, Standing, and Parking - By Repealing and Re-Enacting Section 10.44.040, 'Parking for Certain Purposes Prohibited - Display of 'For Sale' Signs on Vehicles, Vessels, or Trailers - Restrictions,' in Its Entirety," which was introduced at a regular meeting of the Lodi City Council held June 15, 2016.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 9:21 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk