

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, NOVEMBER 19, 2014**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of November 19, 2014, was called to order by Mayor Katzakian at 6:00 p.m.

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

Absent: None

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

C-2 Announcement of Closed Session

- a) Actual Litigation: Government Code §54956.9(a); One Case; Kayla Gouveia v. City of Lodi, et al.; San Joaquin County Superior Court, Case No. 39-2012-00296135-CU-NP-STK
- b) Actual Litigation: Government Code §54956.9; One Application; Michael Morris, Deceased (Kathy Morris) v. City of Lodi; WCAB Case No. ADJ9033888 (2/19/01)
- c) Conference with Adele Post, Human Resources Manager, and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Unrepresented Executive Management, Unrepresented Confidential Employees, Lodi City Mid-Management Association, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, Fire Mid-Managers, and Lodi Professional Firefighters; and Conference with Mayor Phil Katzakian and Jordan Ayers, Deputy City Manager (Labor Negotiators), Regarding Council Appointees Pursuant to Government Code §54957.6

C-3 Adjourn to Closed Session

At 6:00 p.m., Mayor Katzakian adjourned the meeting to a Closed Session to discuss the above matters. Only City Council members and the Deputy City Manager were present during the portion of the Closed Session pertaining to Council Appointees. The Closed Session adjourned at 6:50 p.m.

C-4 Return to Open Session / Disclosure of Action

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

Items C-2 (a), C-2 (b), and C-2 (c) (with the exception of the portion pertaining to Council Appointees) were all direction only with no reportable action.

Further, Deputy City Manager Jordan Ayers disclosed the following action.

In regard to Item C-2 (c) relating to Council Appointees, direction was given with no reportable action.

A. Call to Order / Roll Call

The Regular meeting of November 19, 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: City Manager Schwabauer, City Attorney Magdich, and City Clerk Robison

B. Presentations

B-1 Homeless Youth Awareness and Runaway Prevention Month Proclamation (CLK)

Mayor Katzakian presented a proclamation to Jennifer Jones, Director of Operations of the San Joaquin Women's Center, proclaiming the month of November 2014 as "Homeless Youth Awareness and Runaway Prevention Month" in the City of Lodi.

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 \$12,309,984.44 (FIN)

Claims were approved in the amount of \$12,309,984.44.

C-2 Approve Minutes (CLK)

The minutes of October 14, 2014 (Shirtsleeve Session), October 15, 2014 (Regular Meeting), October 21, 2014 (Shirtsleeve Session), October 21, 2014 (Special Meeting), October 28, 2014 (Shirtsleeve Session), October 28, 2014 (Special Session), November 4, 2014 (Shirtsleeve Session), November 5, 2014 (Regular Meeting), November 11, 2014 (Shirtsleeve Session), and November 11, 2014 (Special Session) were approved as written.

C-3 Approve Specifications and Authorize Advertisement for Bids to Procure Electric Utility Transformers (EU)

This item was inadvertently removed from the Consent Calendar and, therefore, acted upon separately.

Council Member Mounce made a motion, second by Council Member Nakanishi, to approve specifications and authorize advertisement for bids to procure Electric Utility transformers.

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-4 Accept Donation of Grant Funds from Tree Lodi for the Peterson Park Urban Forest Revitalization Project (\$7,000) (PRCS)

This item was removed from the Consent Calendar by Council Member Mounce in order to recognize Tree Lodi for its donation.

Parks Superintendent Steve Dutra thanked Tree Lodi for its efforts in applying to Cal-Fire for this tree-planting grant and, in turn, donating the grant funds to the City of Lodi. The Parks Division recently removed 39 pear trees from Peterson Park because they were failing and creating a hazardous condition. This \$7,000 donation will go toward re-planting 44 trees.

In response to Mayor Pro Tempore Hansen, Mr. Dutra stated that the seven species of trees being re-planted at Peterson Park will be of a variety that is not prone to mistletoe or weak limbs, they will grow slower, and they will have a longer life span.

Council Member Mounce made a motion, second by Council Member Johnson, to accept the donation of grant funds from Tree Lodi for the Peterson Park Urban Forest Revitalization Project, in the amount of \$7,000.

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-5 Adopt Resolution Awarding Bid for the Purchase of Padmount Switches from Trayer Engineering Corporation, of San Francisco (\$154,294.50) (EU)

Adopted Resolution No. 2014-202 awarding bid for the purchase of padmount switches from Trayer Engineering Corporation, of San Francisco, in the amount of \$154,294.50.

C-6 Adopt Resolution Awarding Bids for the Purchase of Wire and Cable from the Okonite Company, of San Ramon (\$258,603.19), and American Wire Group, of Hallandale, Florida (\$52,363.13) (EU)

Adopted Resolution No. 2014-203 awarding bids for the purchase of wire and cable from the Okonite Company, of San Ramon, in the amount of \$258,603.19, and American Wire Group, of Hallandale, Florida, in the amount of \$52,363.13.

C-7 Adopt Resolution Awarding Contract for Purchase of Aluminum Chlorohydrate Supply to CalChem Enterprises, of Modesto (\$55,632), and Authorizing Public Works Director to Execute Extensions (PW)

Adopted Resolution No. 2014-204 awarding contract for the purchase of aluminum chlorohydrate supply to CalChem Enterprises, of Modesto, in the amount of \$55,632, and authorizing the Public Works Director to execute extensions.

C-8 Accept Improvements Under Contract for Sacramento Street Streetscape Project (PW)

Accepted improvements under the contract for the Sacramento Street Streetscape Project.

C-9 Adopt Resolution Authorizing City Manager to Execute Winery Wastewater Pipeline Agreement with Michael/David Winery (PW)

Adopted Resolution No. 2014-205 authorizing the City Manager to execute a winery wastewater pipeline agreement with Michael/David Winery.

C-10 Adopt Resolution Authorizing the City Manager to Sign an Agreement to Join as Party to Agreement for Adoption of Flood Safety Plans Pursuant to California Water Code Section 9650 and Designating the City's Fire Chief as the Designated Flood Safety Official for the City of Lodi (FD)

Adopted Resolution No. 2014-206 authorizing the City Manager to sign an agreement to join as party to agreement for adoption of flood safety plans pursuant to California Water Code Section 9650 and designating the City's Fire Chief as the designated Flood Safety Official for the City of Lodi.

C-11 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Efficiency Services Group, LLC, of Hillsboro, Oregon, for Public Benefits Program Administration (\$90,000) (EU)

Adopted Resolution No. 2014-207 authorizing the City Manager to execute a Professional Services Agreement with Efficiency Services Group, LLC, of Hillsboro, Oregon, for Public Benefits Program Administration, in the amount of \$90,000.

C-12 Adopt Resolution Authorizing City Manager to Execute a Professional Services Agreement with PMC, of Rancho Cordova, for the Preparation of the Housing Element Update and the Analysis of Impediments to Fair Housing Choice (\$39,761) (CD)

Adopted Resolution No. 2014-208 authorizing the City Manager to execute a Professional Services Agreement with PMC, of Rancho Cordova, for the preparation of the Housing Element Update and the Analysis of Impediments to Fair Housing Choice, in the amount of \$39,761.

C-13 Adopt Resolution Authorizing the City Manager to Execute Contract Amendment No. 1 with PROS Consulting, Inc., of Indianapolis, Indiana, and Appropriating Funds (\$4,160) (PRCS)

Adopted Resolution No. 2014-209 authorizing the City Manager to execute Contract Amendment No. 1 with PROS Consulting, Inc., of Indianapolis, Indiana, and appropriating funds in the amount of \$4,160.

C-14 Adopt Resolution Authorizing the Chief of Police to Execute the AVOID the 10 Grant Funded by the Office of Traffic Safety and Appropriating Funds (\$20,000) (PD)

Adopted Resolution No. 2014-210 authorizing the Chief of Police to execute the AVOID the 10 Grant funded by the Office of Traffic Safety and appropriating funds in the amount of \$20,000.

C-15 Adopt Resolution Approving Appropriations for 2014 GrapeLine Bus Stop and Kettleman Lane Bus Stop Improvements (\$416,000) (PW)

Adopted Resolution No. 2014-211 approving appropriations for 2014 GrapeLine Bus Stop and Kettleman Lane Bus Stop Improvements in the amount of \$416,000.

C-16 Adopt Resolution Approving Year 2014 Amendments to Conflict of Interest Code (Government Code Section 87306.5) (CA)

Adopted Resolution No. 2014-212 approving Year 2014 amendments to Conflict of Interest Code (Government Code Section 87306.5).

C-17 Adopt Resolution Amending Employer Paid Member Contributions to California Public Employees' Retirement System (CM)

This item was removed from the Consent Calendar by Council Member Nakanishi for comment.

In response to Council Member Nakanishi, Deputy City Manager Jordan Ayers stated that the statute provides for two levels of contributions to the California Public Employees' Retirement System (Cal-PERS): 1) the classic employees' share of Cal-PERS is 7 percent for miscellaneous employees and 9 percent for public safety; and 2) under the California Public Employees Pension Reform Act, the employees' share is 8 to 9 percent for miscellaneous employees and 12 percent for public safety. On the employer's side, there is no cap and the number is calculated each year by Cal-PERS. Current figures are 18 percent for miscellaneous employees and 35 to 38 percent

for public safety employees. In further response, Mr. Ayers confirmed that the City is up to date on its Cal-PERS payments, and he believed there may be some agencies that are unable to make the payments on a current basis.

Council Member Nakanishi made a motion, second by Council Member Johnson, to adopt Resolution No. 2014-213 amending Employer Paid Member Contributions to California Public Employees' Retirement System.

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-18 Receive Update on Emergency Condition at White Slough Water Pollution Control Facility Digesters No. 1 and No. 2 (PW)

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

C-19 Set Public Hearing for December 17, 2014, to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Usage-Based and Flat Water Rates for Residential, Commercial, and Industrial Customers (PW)

Set a public hearing for December 17, 2014, to consider adopting a resolution setting pre-approved Engineering News Record Adjustment Index for usage-based and flat water rates for residential, commercial, and industrial customers.

D. Comments by the Public on Non-Agenda Items - None.

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.

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

Council Member Nakanishi thanked Lodi voters for electing him to office for another term and congratulated Council Members-Elect Mark Chandler and Doug Kuehne, who are leading in the unofficial election results. Mr. Nakanishi further paid tribute to fellow Council Members Katzakian and Hansen, stating they have both worked very hard for the City and he felt fortunate to have had the opportunity to work with them.

Council Member Johnson expressed support for the Library and all that Library Services Director Dean Gualco has done to improve the building and its service to this community. In response to a recent article regarding the Library's plan to convert an outdoor patio to an enclosed area for extra classroom space, Mr. Johnson expressed concern about the estimated price tag of \$250,000 to complete this project. He urged that this be reviewed to significantly reduce the cost of this project.

Council Member Mounce thanked all of the volunteers who worked on the recent Sandhill Crane Festival and encouraged local citizens to participate in this worthwhile event. Ms. Mounce reported on her attendance at the League of California Cities board meeting in Sacramento, stating that new legislators are taking office and it is important to build a relationship with the representatives in order to work more closely with them on legislation that might affect local

control and regulations. She stated that an announcement will be forthcoming regarding the League board in light of the current League President's unsuccessful election run. Ms. Mounce also expressed gratitude for having the opportunity to work with both Council Members Katzakian and Hansen over the years and further congratulated Council Members-Elect Chandler and Kuehne.

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

G. Public Hearings

G-1 Public Hearing to Consider Unmet Transit Needs in Lodi (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Katzakian called for the public hearing to consider unmet transit needs in Lodi.

Transportation Manager Paula Fernandez provided a presentation regarding unmet transit needs in Lodi. Specific topics of discussion included annual assessment of transit needs by the San Joaquin Council of Governments (SJCOG) to be completed prior to the allocation of Local Transportation Funds for non-transit purposes; 15 public hearings and 3 unofficial hearings; 34 responses received by SJCOG; advertisements for the public hearing on buses, at the transit station, and at City Hall; transit survey on the City's website; and advertisement for free transit rides to this public hearing. The purpose of this hearing is to receive public testimony regarding any transit needs that are not being met.

In response to Council Member Johnson, Daniel Meza with SJCOG stated that the unofficial hearings included outreach to various community groups, as well as participation at a health fair, as a means to reach out to additional groups to encourage greater participation and comments.

In response to Council Member Mounce, Mr. Meza stated that the comments were primarily minor and included requests for additional or better-located stops, as well as the Regional Transportation District's Americans with Disabilities Act service. Comments are passed onto appropriate transit system operators to determine what, if any changes, will be implemented. Typically, most requests are implemented if they are minor.

In response to Council Member Nakanishi, Mr. Meza confirmed that the 34 comments were countywide.

Mayor Katzakian opened the public hearing for public comment.

There being no public comments, Mayor Katzakian closed the public hearing.

There was no action required on this matter.

G-2 Public Hearing to Consider Adoption of Resolution Setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan Development Fees for 2015 (CD)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Katzakian called for the public hearing to consider adoption of resolution setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) development fees for 2015.

Senior Planner Craig Hoffman provided a PowerPoint presentation regarding the SJMSCP development fees for 2015. Specific topics of discussion included history of the SJMSCP, comparison of current and proposed fees, the approximately 10 percent increase in fees across the board, and the request that all jurisdictions adopt the fees before the end of the year with an effective date of January 1, 2015.

In response to Council Member Nakanishi, Mr. Hoffman stated that the fee for in-lieu land is used

for the endowment for dedicated land preserves by allowing one to pay a fee in lieu of locating land for ongoing and future maintenance.

In response to Mayor Katzakian, Mr. Hoffman stated that the fees collected go toward the program and locating easements and land. He added that there are a couple of Lodi projects with dedicated land preserved, including the Rosegate and Walmart Supercenter projects, and that this will continue with the future Reynolds Ranch and Van Ruiten projects.

In response to Council Member Johnson, City Manager Schwabauer stated that the developer of the Walmart Supercenter was initially interested in purchasing land on the White Slough Water Pollution Control Facility site; however, a deal could not be reached. Occasionally, the City will be contacted by the San Joaquin County Partnership regarding an interest in a Giant Garter Snake habitat, but nothing has come to fruition from those inquiries. At this point in time, the goal is to preserve any additional land until Public Works has an opportunity to complete its strategic plan for that site.

Council Member Hansen pointed out that the significant increase in the fee this year is due to the fact that land values have increased. Mr. Hansen stated that developers have the option of working through the Department of Fish and Game, instead of paying the high SJMSCP fee; however, it is a much more cumbersome and lengthy process.

In response to Council Member Mounce, Mr. Schwabauer reiterated that developers have the option of simply paying the SJMSCP fee or working through the State's complicated process. If Council does not adopt the fees, the San Joaquin Council of Governments would not penalize the City; however, the developers' sole option would be to work with the State's process.

In response to Council Member Nakanishi, Mr. Hoffman stated that, if he had a preference, he would opt for paying the SJMSCP fee as it is a much more simplified process. Council Member Nakanishi agreed it would be a detriment to Lodi developers if this fee were not approved and they no longer had a choice in the matter.

Mayor Katzakian opened the public hearing for public comment.

There being no public comments, Mayor Katzakian closed the public hearing.

Mayor Pro Tempore Hansen made a motion, second by Mayor Katzakian, to adoption Resolution No. 2014-214 setting the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan development fees for 2015.

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

G-3 Continued Public Hearing to Introduce Ordinance Amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by Repealing and Reenacting Sections 13.20.190, "Schedule EA (Residential Service)," 13.20.210, "Schedule EM (Mobilehome Park Service)," 13.20.230, "Schedule EL (Outdoor Dusk-to-Dawn Lighting)," 13.20.235, "Schedule ES (City Facilities Service)," 13.20.240, "Schedule G1 (General Service - Group 1 Commercial/Industrial)," 13.20.250, "Schedule G2 (General Service - Group 2 Commercial/Industrial)," 13.20.260, "Schedule G-3 (General Service - Group 3 Commercial/Industrial)," 13.20.270, "Schedule G4 (General Service - Group 4 Commercial/Industrial)," 13.20.280, "Schedule G5 (General Service - Group 5 Commercial/Industrial)," 13.20.310, "Schedule I1 (General Service - Group 5 Commercial/Industrial - Optional)," 13.20.325, "Schedule EV (Electric Vehicle Pilot Charging Rate)," and 13.20.330, "Schedule IE (Industrial Equipment Charging Service)," in Their Entirety (EU)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Katzakian called for the public hearing to introduce an ordinance amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by repealing and reenacting Sections 13.20.190, "Schedule EA (Residential Service)," 13.20.210, "Schedule EM (Mobilehome Park Service)," 13.20.230, "Schedule EL (Outdoor Dusk-to-Dawn Lighting)," 13.20.235, "Schedule ES (City Facilities Service)," 13.20.240, "Schedule G1 (General Service - Group 1 Commercial/Industrial)," 13.20.250, "Schedule G2 (General Service - Group 2 Commercial/Industrial)," 13.20.260, "Schedule G-3 (General Service - Group 3 Commercial/Industrial)," 13.20.270, "Schedule G4 (General Service - Group 4 Commercial/Industrial)," 13.20.280, "Schedule G5 (General Service - Group 5 Commercial/Industrial)," 13.20.310, "Schedule I1 (General Service - Group 5 Commercial/Industrial - Optional)," 13.20.325, "Schedule EV (Electric Vehicle Pilot Charging Rate)," and 13.20.330, "Schedule IE (Industrial Equipment Charging Service)," in their entirety.

Council Member Mounce stated she believed this public hearing should be postponed until after the new Council takes over and suggested the second meeting of December.

Council Member Nakanishi agreed that the matter should be postponed and suggested bringing it back in one to two years with smaller, incremental increases, adding that reserves may decrease but Lodi would not be hurt because the economy is improving.

Council Member Mounce made a motion, second by Council Member Nakanishi, to continue the public hearing to December 17, 2014, to introduce ordinance amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by repealing and reenacting Sections 13.20.190, "Schedule EA (Residential Service)," 13.20.210, "Schedule EM (Mobilehome Park Service)," 13.20.230, "Schedule EL (Outdoor Dusk-to-Dawn Lighting)," 13.20.235, "Schedule ES (City Facilities Service)," 13.20.240, "Schedule G1 (General Service - Group 1 Commercial/Industrial)," 13.20.250, "Schedule G2 (General Service - Group 2 Commercial/Industrial)," 13.20.260, "Schedule G-3 (General Service - Group 3 Commercial/Industrial)," 13.20.270, "Schedule G4 (General Service - Group 4 Commercial/Industrial)," 13.20.280, "Schedule G5 (General Service - Group 5 Commercial/Industrial)," 13.20.310, "Schedule I1 (General Service - Group 5 Commercial/Industrial - Optional)," 13.20.325, "Schedule EV (Electric Vehicle Pilot Charging Rate)," and 13.20.330, "Schedule IE (Industrial Equipment Charging Service)," in their entirety.

VOTE:

The above motion failed by the following vote:

Ayes: Council Member Mounce, and Council Member Nakanishi

Noes: Council Member Johnson, Mayor Pro Tempore Hansen, and Mayor Katzakian

Absent: None

Electric Utility Director Elizabeth Kirkley provided a PowerPoint presentation regarding the amendment to the Lodi Municipal Codes relating to electrical service and associated rates. Specific topics of discussion included background, financial challenges, cash reserves for fiscal year 2013/14, ten-year financial model and cash reserves without the rate increase, long-term capital planning, how the utility is funded, cash reserves with the rate increase, rate comparisons for residential, commercial, and industrial without the rate increase, history of average rates, comparison of rates with the rate increase, monthly bill impacts, public outreach, and summary.

Council Member Mounce pointed out that, even though there has not been a rate adjustment in nearly a decade, the energy cost adjustment (ECA) affects rates each month and there was no capital maintenance built into that equation. She believed this increase was too significant for a majority of citizens and suggested that smaller, incremental increases would be more palatable.

Council Member Nakanishi stated that the graph appears to indicate that the deficit becomes an issue in 2019/20. He believed there was time to delay this matter and that it does not need to be addressed with a 5 percent increase. Ms. Kirkley pointed out that the current timeframe, 2013/14 to 2015/16, is an issue and needs to be addressed.

In response to Council Member Mounce, Ms. Kirkley stated that, without an increase, electric utility's capital improvement plan is a very modest one. Council Member Mounce suggested that the ten-year financial model would appear much better if the capital improvements and rate increases were reduced, to which Ms. Kirkley agreed that financially the outlook would be different, but the reliability of the system would suffer if the infrastructure was not adequately maintained.

In response to Mayor Katzakian, Ms. Kirkley stated that there is no set timeframe to complete the light-emitting diode (LED) streetlight project, but those improvements would help to lower power costs and provide better lighting for neighborhoods and the police who patrol those areas. In further response, Ms. Kirkley stated that the 230 kV Interconnection Project is moving forward, the debt service will be paid out of reduced expenses through transmission access charges which would be \$2.5 million reduction a year, and any reimbursements would be for the design and construction phase.

In response to Council Member Mounce, Ms. Kirkley confirmed that the LED streetlight project would replace the lights on the east side. In the interim, staff installed reinforced covers on the streetlights in response to the high level of vandalism in the area. In response to Council Member Mounce, Ms. Kirkley stated she would send a crew to the area of Oak and Stockton Streets to repair any lights that remain broken.

Council Member Nakanishi suggested there are alternatives to raising rates to fund the \$20 million in capital improvements over the next ten years, including borrowing the money or tapping into reserves, and that this burden should not be put onto the citizens.

Council Member Mounce stated that she would like staff to review the complicated tiered system and return with a new billing structure.

Mayor Pro Tempore Hansen pointed out that the water and wastewater utilities are currently financially solid, prepared for unexpected emergencies, have a healthy reserve balance, and have replaced an aging infrastructure, which was due to the prudent decision of Council to implement a long-term plan to properly manage those utilities. The electric utility was in dire straits many years ago when it was losing \$800,000 a month and the system was being poorly managed, and Mr. Hansen stated that the goal here is to ensure the electric utility is equally financially solid and reliable. Mr. Hansen pointed out that the utility purchases some of its power, as well as gas, on the market, and Lodi is dependent upon a good rating from the rating agencies to ensure power is purchased at a low rate. He believed this proposal was a reasonable, solid business approach to ensure the utility has the equipment and infrastructure it needs to avoid long-term failures or emergencies. The City has worked diligently to lower its rates, and he was concerned that changing the tiered billing system could have a negative effect on the ability to keep the rates low.

Council Member Mounce stated she believed that the City should assess what it truly needs and what it could do without in order to adequately maintain the system without passing such an excessive rate increase onto citizens. She stated that even a one percent increase each year would put the City in a more favorable position in ten years than it is today.

In response to Council Member Johnson, City Clerk Robison stated that she received only a few letters of opposition to this matter and that all of the letters were provided to Council.

Mayor Katzakian opened the public hearing for public comment.

Mike Lusk spoke in opposition to rate increase and suggested this matter be delayed until staff can evaluate the impact that the closing of General Mills may have on the forecast. He stated that the ECA in 2007 was an increase to citizens and cited concerns with mismanagement of the utility years ago, the energy crisis, purchasing power in a volatile market, and purchasing bonds that are paid back from today's rates. He questioned if revenues from utility-related transactions were rightfully returned to the utility account or deposited into the general fund and whether City usage of utility services are paid for by the City or passed onto rate payers.

In response to Mark Wilcox, Ms. Kirkley stated that staff has done a preliminary analysis and she believed that, if the rate increase is approved, the City can absorb any impacts from General Mills closing as it was on a lower rate level. Mr. Wilcox stated that he invited 30 people to attend the meeting; however, all of them declined as they believed it would be pointless, adding that the number of correspondence received from the public is an inaccurate measure of the community's pulse on an issue.

Elaine M. Lopez spoke in opposition to the matter, asking that it be postponed for the time being. Further, she expressed disappointment with the high level of bad debt write off for utility bills.

Pat Patrick, President/CEO of the Lodi District Chamber of Commerce, thanked staff for presenting this issue to the Chamber large industrial group. While they are not in favor of a 5 percent increase, the group understood that outages resulting from a poorly maintained system would negatively affect their operations and be more costly than the increase itself. He added that system reliability and dependability is a major factor in attracting businesses to a community and maintaining that level is an asset that Lodi cannot afford to lose.

There being no further public comments, Mayor Katakian closed the public hearing.

Council Member Nakanishi expressed disappointment that staff appears to have used a scare tactic on the business community and further felt that the City Council was not provided enough information on this matter.

Mayor Pro Tempore Hansen stated that staff has been very clear with Council about the concerns and issues associated with the aging infrastructure and the on-going maintenance problems. He believed it was necessary to implement a financial model to address these concerns to avoid a system failure.

In response to Council Member Mounce, Mr. Schwabauer stated that electric utility rates, unlike water and wastewater rates, do not fall under the Proposition 218 requirements, but any annual adjustments to the electric rate would continue to be done by a public hearing and would be properly noticed. Adjustments would not be automatic and would be weighed on performance of the electric utility.

Mayor Pro Tempore Hansen made a motion, second by Council Member Johnson, to introduce Ordinance No. 1901 amending Lodi Municipal Code Chapter 13.20 - Electrical Service - by repealing and reenacting Sections 13.20.190, "Schedule EA (Residential Service)," 13.20.210, "Schedule EM (Mobilehome Park Service)," 13.20.230, "Schedule EL (Outdoor Dusk-to-Dawn Lighting)," 13.20.235, "Schedule ES (City Facilities Service)," 13.20.240, "Schedule G1 (General Service - Group 1 Commercial/ Industrial)," 13.20.250, "Schedule G2 (General Service - Group 2 Commercial/Industrial)," 13.20.260, "Schedule G-3 (General Service - Group 3 Commercial/Industrial)," 13.20.270, "Schedule G4 (General Service - Group 4 Commercial/Industrial)," 13.20.280, "Schedule G5 (General Service - Group 5 Commercial/Industrial)," 13.20.310, "Schedule I1 (General Service - Group 5 Commercial/Industrial - Optional)," 13.20.325, "Schedule EV (Electric Vehicle Pilot Charging Rate)," and 13.20.330, "Schedule IE (Industrial Equipment Charging Service)," in their entirety.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Mayor Pro Tempore Hansen, and Mayor Katakian

Noes: Council Member Mounce, and Council Member Nakanishi

Absent: None

H. Communications

H-1 Post for One Vacancy on the Lodi Arts Commission (CLK)

Council Member Mounce made a motion, second by Mayor Katzakian, to direct the City Clerk to post for the following vacancy:

Lodi Arts Commission

Tabitha Johnson, term to expire July 1, 2017

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

H-2 Appointment to the Greater Lodi Area Youth Commission (Adult Advisor) (CLK)

Council Member Mounce made a motion, second by Mayor Katzakian, to concur with the Mayor's recommended appointment:

Greater Lodi Area Youth Commission

Adult Advisor:

Anne Siegfried, term to expire May 31, 2015

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. Regular Calendar

I-1 Adopt Resolution Approving the Classification, Job Description and Salary Range for the Position of Engineering Aide (CM)

Deputy City Manager Jordan Ayers provided a presentation regarding the classification, job description, and salary range for the position of Engineering Aide, stating this was a new position in Public Works.

Council Member Johnson made a motion, second by Mayor Pro Tempore Hansen, to adopt Resolution No. 2014-215 approving the classification, job description and salary range for the position of Engineering Aide.

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 Appoint Council Member to Participate in On-Going Meetings and Discussions Between City Staff and General Mills Representatives (CM)

City Manager Schwabauer reported that, during the first meeting with General Mills, there was a quorum of Council Members interested in participating. He requested that Council appoint a member among itself to participate in these on-going meetings.

Council Member Nakanishi suggested Council Member Johnson be appointed as he attended the initial meeting and works closely with the Lodi District Chamber of Commerce.

In response to Council Member Nakanishi, Mr. Schwabauer stated that it is easier to schedule meetings with one representative versus two, and three or more Council Members would be a quorum.

Council Member Mounce expressed her desire to participate as she attended the initial meeting as well.

Council Member Johnson stated that, during his years working with the San Joaquin Partnership, it was made clear the need for confidentiality during these meetings because it involves inquiries and negotiations with interested parties, and most do not wish the details to be disclosed until a deal is final. He stated that, if appointed to be the City's representative, he will attend to show the City's commitment to tenant that site, but he would not report back on every meeting as that would be counterproductive.

Discussion ensued amongst Council regarding the need for one versus two representatives to attend these meetings. It was the consensus of Council that one representative would be most logical.

Council Member Nakanishi made a motion, second by Mayor Katzakian, to appoint Council Member Johnson to participate in on-going meetings and discussions between City staff and General Mills representatives.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Mounce

Absent: None

J. Ordinances

J-1 Adopt Ordinance No. 1900 Entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Chapter 5.12 - Cardrooms - by Repealing and Re-enacting Section 5.12.140 (C) 'Rules and Regulations'" (CLK)

Mayor Pro Tempore Hansen made a motion, second by Mayor Katzakian, (following reading of the title) to waive reading of the ordinance in full and adopt and order to print Ordinance No. 1900 entitled, "An Ordinance of the Lodi City Council Amending Lodi Municipal Chapter 5.12 - Cardrooms - by Repealing and Re-enacting Section 5.12.140 (C) 'Rules and Regulations,'" which was introduced at a regular meeting of the Lodi City Council held on October 15, 2014.

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

K. Adjournment

There being no further business, the meeting was adjourned at 9:25 p.m.

ATTEST:

Jennifer M. Robison  
City Clerk