

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, FEBRUARY 6, 2019**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of February 6, 2019, was called to order by Mayor Chandler at 6:17 p.m.

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

Absent: Council Member Mounce

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

NOTE: Council Member Nakanishi arrived at 6:23 p.m.

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Andrew Keys, Deputy City Manager (Labor Negotiators), Regarding Fire Mid-Management, International Brotherhood of Electrical Workers, Lodi Police Dispatchers Association, Police Officers Association of Lodi, and Police Mid-Management Pursuant to Government Code §54957.6 (CM)
- b) Sale of Former Fire Station No. 2 Property Located at 705 East Lodi Avenue, Lodi, CA; Negotiating Parties are Nicole Key, Managing Director, Cushing and Wakefield, for Buyers and Stephen Schwabauer for City of Lodi; Price and Terms of Sale Are Under Negotiation; Government Code §54956.8 (CM)

C-3 Adjourn to Closed Session

At 6:17 p.m., Mayor Chandler adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:56 p.m.

C-4 Return to Open Session / Disclosure of Action

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

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

With regard to Item C-2b), it was reported the City is in escrow on the former Fire Station No. 2 property and that Council authorized a purchase price of \$415,000 with a credit of up to \$14,300 for remediation of mold and asbestos. Escrow is expected to close in two weeks.

A. Call to Order / Roll Call

The Regular City Council meeting of February 6, 2019, was called to order by Mayor Chandler at 7:06 p.m.

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

Absent: Council Member Mounce

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

B. Presentations – None

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

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

Noes: None

Absent: Council Member Mounce

C-1 Receive Register of Claims for December 21, 2018 through January 17, 2019 in the Amount of \$6,225,709.16 (FIN)

Claims were approved in the amount of \$6,225,709.16.

C-2 Approve Minutes (CLK)

The minutes of January 8, 2019 (Shirtsleeve Session), January 15, 2019 (Shirtsleeve Session), January 15, 2019 (Special Meeting), January 16, 2019 (Regular Meeting), and January 22, 2019 (Shirtsleeve Session) were approved as written.

C-3 Approve Specifications and Authorize Advertisement for Bids for Janitorial Services for City Facilities (PW)

Approved specifications and authorized advertisement for bids for janitorial services for City facilities.

C-4 Adopt Resolution Rescinding Resolution No. 2018-152 and Authorizing Purchase of Ultraviolet Disinfection Parts for White Slough Water Pollution Control Facility from DC Frost Associates, Inc., of Walnut Creek (\$104,654) (PW)

Adopted Resolution No. 2019-06 rescinding Resolution No. 2018-152 and authorizing the purchase of ultraviolet disinfection parts for White Slough Water Pollution Control Facility from DC Frost Associates, Inc., of Walnut Creek, in the amount of \$104,654.

C-5 Adopt Resolution Authorizing Sole Source Purchase of One Digester Recirculation Wemco Pump for White Slough Water Pollution Control Facility from Muniquip, LLC, of Roseville (\$21,670) (PW)

Adopted Resolution No. 2019-07 authorizing the sole-source purchase of one digester recirculation Wemco pump for White Slough Water Pollution Control Facility from Muniquip, LLC, of Roseville, in the amount of \$21,670.

C-6 Adopt Resolution Awarding Contract for Granular Activated Carbon Replacement, Well No. 4R and Well No. 22, to Calgon Carbon Corporation, of Moon Township, Pennsylvania (\$230,222); Authorizing City Manager to Execute Change Orders (\$50,000); and Appropriating Funds (\$280,222) (PW)

Adopted Resolution No. 2019-08 awarding the contract for Granular Activated Carbon Replacement, Well No. 4R and Well No. 22, to Calgon Carbon Corporation, of Moon Township, Pennsylvania, in the amount of \$230,222; authorizing the City Manager to execute change orders, in the amount of \$50,000; and appropriating funds in the amount of \$280,222.

C-7 Accept Improvements Under Contract for Vinewood Pump Station Electrical Improvements (PW)

Accepted improvements under contract for Vinewood Pump Station Electrical Improvements.

- C-8 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Devices for Life, LLC, of Anaheim Hills, for Automated External Defibrillation Devices and Compliance Services (\$27,000) (CA)

Adopted Resolution No. 2019-09 authorizing the City Manager to execute Professional Services Agreement with Devices for Life, LLC, of Anaheim Hills, for automated external defibrillation devices and compliance services, in the amount of \$27,000.

- C-9 Authorize City Manager to Execute Amendment to Extend Term of Professional Services Agreement with Michael Baker International, of Rancho Cordova, for Community Development Block Grant Administration and Expand the Scope of Services to Include Housing Program Support Services (\$223,000) (CM)

Authorized the City Manager to execute Amendment to extend term of Professional Services Agreement with Michael Baker International, of Rancho Cordova, for Community Development Block Grant administration and expand the scope of services to include Housing Program support services, in the amount of \$223,000.

- C-10 Adopt Resolution Authorizing City Manager to Execute Second Amendment and Restated San Joaquin County Regional Fire Dispatch Authority Joint Exercise of Power Agreement and Appointing Fire Chief and Alternate to Serve on Board of Directors (FD)

Adopted Resolution No. 2019-10 authorizing the City Manager to execute Second Amendment and Restated San Joaquin County Regional Fire Dispatch Authority Joint Exercise of Power Agreement and appointing Fire Chief and Alternate to serve on Board of Directors.

- C-11 Adopt Resolution Authorizing City Manager to Execute Statement of Work with Itron, Inc., for the Upgrade of the Itron Choice-Connect Fixed Network Software (\$71,920) (CM)

Adopted Resolution No. 2019-11 authorizing the City Manager to execute Statement of Work with Itron, Inc., for the upgrade of the Itron Choice-Connect Fixed Network Software, in the amount of \$71,920.

- C-12 Appoint Michael Carouba and William Mitchell to the Parks and Recreation Commission; Joseph Woelfel to the Senior Citizens Commission; Peter Rosado to the Site Plan and Architectural Review Committee; Richard Blackston to the San Joaquin Council of Governments Citizens' Advisory Committee; and Benjamin Plath to the Greater Lodi Area Youth Commission; and Post for One Expiring Term on the Lodi Improvement Committee (CLK)

Appointed Michael Carouba and William Mitchell to the Parks and Recreation Commission; Joseph Woelfel to the Senior Citizens Commission; Peter Rosado to the Site Plan and Architectural Review Committee; Richard Blackston to the San Joaquin Council of Governments Citizens' Advisory Committee; and Benjamin Plath to the Greater Lodi Area Youth Commission; and directed the City Clerk to post for one expiring term on the Lodi Improvement Committee.

- C-13 Confirm Annual Appointment of City Council Members on Various Boards, Committees, and Commissions (CLK)

Confirmed annual appointment of City Council Members on various boards, committees, and commissions.

- C-14 Adopt Resolution Approving Guidelines for Submission and Tabulation of Protests in Connection with Rate Hearings Conducted Pursuant to Article XIID, Section 6 of California Constitution (Proposition 218) (CA)

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

Mike Lusk, member of the public, expressed concern that the proposed water, wastewater, and solid waste rates increases may be invalid under Proposition 218 based on legal opinions relating to the cities of San Juan Capistrano and Lincoln. Further, Mr. Lusk suggested the City is not within the 45-day required public hearing notice timeframe based on when he received his notice.

City Attorney Magdich clarified that the item before Council is not the public hearing on the rates; rather, it is approval of the resolution setting forth guidelines for the submission of protests.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, to adopt Resolution No. 2019-12 approving guidelines for submission and tabulation of protests in connection with rate hearings conducted pursuant to Article XIII D, Section 6 of California Constitution (Proposition 218).

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Council Member Mounce

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.

Michael Lynn, member of the public, shared a recent experience with Comcast where it painted locations of underground utilities on the street, sidewalk, and his lawn; however, despite assurances from Comcast that the paint would be cleaned, the company instead painted solid black over the markings. He expressed appreciation for Senior Engineering Technician Denise Wiman for her assistance and willingness to cease issuing encroachment permits to Comcast until it cleans the markings properly; however, Comcast has yet to rectify the situation or contact him. He understands Comcast is monitored by the State but is outraged at what a public company has done to the street. He suggested the only solution is to do a slurry seal on half of the block.

Public Works Director Charlie Swimley explained it is standard practice for utility companies to remove or cover markings it makes to locate underground utilities and the City of Lodi's encroachment permits have strict requirements regulating that. Typically, most companies meet those regulations, however, some, like Comcast, are more difficult to work with. He added that in most situations, normal tire wear and elements will cause the markings to fade. He thanked Mr. Lynn for bringing this to his attention.

Mike Lusk, member of the public, requested the status of his request from the January 16, 2019, City Council meeting at which he submitted a formal request to vacate the election of Mayor and Mayor Pro Tempore and revise the ordinance and protocols relating to the selection of those positions.

City Attorney Magdich responded that staff is reviewing his statement and should have a response to him early next week.

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

None.

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

None.

G. Public Hearings

G-1 Public Hearing to Consider Adopting Resolution Authorizing City Manager to Execute Reimbursement Agreement RA-18-01 for Public Improvements Constructed with Lodi Shopping Center (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 Chandler called for the public hearing to consider adopting resolution authorizing the City Manager to execute Reimbursement Agreement RA-18-01 for public improvements constructed with Lodi Shopping Center.

Public Works Director Charlie Swimley provided a PowerPoint presentation regarding Reimbursement Agreement RA-18-01 for public improvements constructed with Lodi Shopping Center. Specific topics of discussion included overview, how we got here, big picture, basis of contention, simple illustration, general contractor costs, indirect costs, right-of-way dedication costs, FCB Homes basis of contention, storm drain allocations, sewer allocations, funding options for storm drain, FCB Homes allocation breakdown, peer review, peer review findings, additional review, summary, and recommendation.

In response to Council Member Johnson, City Manager Schwabauer explained that because the parties never negotiated a conclusion to its agreement, the Council must make the decision in this matter.

Mayor Chandler opened the public hearing for public comment.

Council Member Nakanishi reported he met with all the parties, Browman Development Company (BDC), FCB Homes, and Elliot Homes, on two occasions and met with the City Manager regarding this issue.

Mayor Chandler stated he too met with all three parties once and FCB Homes twice.

Mayor Pro Tempore Kuehne stated he met with both parties multiple times, as well as staff multiple times.

Council Member Johnson reported he did not meet with any of the parties on this matter.

Daryl Browman with BDC stated he believes none of the contentions brought forward by FCB Homes hold any weight against the opinions of City staff, two independent engineers, and legal counsel. He stated BDC has consistently had a positive relationship with the City, has met all of its promises, brought 750,000 retail feet to Lodi and \$30 million in sales tax revenue, created thousands of jobs, and brought a significant property tax increment to the City. He stated the proposed RA has been supported by overwhelming evidence, including independent engineers, peer review, and legal review all consistent with the City's ordinance, and he encouraged Council to approve the agreement. It has taken almost 10 months from when the project was originally scheduled to come before Council, there were countless meetings and cost breakdowns on the matter, and all of FCB Homes arguments were evaluated. He pointed out that if the two independent engineers, staff, City Attorney, and outside legal opinions supporting the RA are not enough, then fairness and common sense should matter that BDC carried \$6.2 million of this project, which enabled FCB Homes and Elliot Homes to move their projects forward. FCB and Elliot Homes paid four times less on a per-acre basis than BDC on this project.

Sandy Alvarez, member of the public, expressed her opposition based on her belief that those

living in the county should not be charged in this matter.

Mr. Schwabauer explained that, if this RA is approved, county residents would only be charged if they were to sell their property to someone who develops the land into a commercial use. If property is sold as a residential home to another homeowner, there would be no fee. In essence, the RA concept states that if property is developed above and beyond its current use, then fees would be paid by everyone who benefited from the work. He assured Ms. Alvarez that this RA would have no impact on her.

Price Walker with Elliot Homes agreed this RA has dragged on for almost a year and expressed his concurrence with all that Mr. Browman stated regarding the matter. He added that he has done over 25 RAs in the past and never experienced anything like this. He commended the Public Works Director and staff for doing an amazing job in presenting a report easily understandable to the public. He urged Council to approve the RA as recommended by staff.

Dennis Bennet, local developer, explained his involvement in the project and stated that all of the parties worked through various items without finite numbers so the project could move forward, but everyone knew there would come a time to divvy up costs. He stated that last March all of the parties met regarding the RA and every party agreed with the document, including FCB Homes. Days later, however, FBC's counsel threatened litigation if the RA was approved, which since delayed the project by almost a year. He stated he believes the document is fair and complete, verified by two outside consultants with no connection to either party, and encouraged Council to approve the agreement as presented.

Steve Herum, attorney for Frontier Development, presented a handout (filed) with excerpts from the Lodi Municipal Code (LMC) relating to reimbursements and Government Code section definitions. He stated he believes the City's ordinance has not been followed and that a fair RA should be based on the ordinance. Mr. Herum reviewed the associated LMC sections that set forth filing an application for reimbursement, details on what applies, information on what can be done with an RA, and items that can be reimbursed, adding those are the rules Council is being asked to apply. He continued that the LMC limits reimbursements to improvements, which is defined by the Government Code and refers to any street work and utilities to be installed. The City's ordinance states it supplements the State ordinance and does not contain a local definition of improvements; therefore, the State definition should be followed. Based on that, he believes there are a number of items included in the RA that do not meet the State code of an improvement and, as a result, should not be eligible for reimbursement. Further, the LMC sections disagree with each other because one refers to applying for reimbursement for improvements, while the other references construction costs. He further suggested the independent engineer is not qualified to interpret the City's ordinance and pointed to the engineer's cover letter acknowledging the City corrected him about his misinterpretation of the ordinance regarding impact mitigation fees, after which he filed a new report. Mr. Herum stated he believes this item is not ready for a Council decision and expressed his doubt about whether or not the ordinance was followed correctly. Mr. Herum stated he submitted letters on January 8, January 14, and February 2, 2019 asking to participate in the review process and further suggested the application for reimbursement was not filed timely within the one-year period and the public hearing not conducted within the required five-month timeframe. He believed the time to act has passed and suggested either no reimbursement is owed, or all of the items added to the RA after the time limit should not be included in the RA.

Mayor Pro Tempore Kuehne called point of order that the speaker was over his five minutes; however, it was concluded that previous speakers were allowed additional time.

Mr. Herum concluded that this is unprecedented, it does not follow the City's ordinance, it creates chaos and mischief leading to requests for huge reimbursements, and more disputes will occur. He requested Council follow the ordinance and either deny this without prejudice and allow the parties to continue to work on the RA or continue this and ask the parties to continue to work on an RA that corresponds to the ordinance.

Council Member Johnson questioned that, if this went forward, where would the answers to his

questions come from, to which Mr. Herum suggested a mediator be brought in who understands the ordinance in order to come to a resolution. Mr. Johnson stated he understood that an offer of arbitration was rejected, to which Mr. Herum responded that a mediator cannot bind parties while an arbitrator makes a binding decision.

Council Member Johnson suggested that all parties in this matter be given an opportunity to state their case even it goes beyond the five-minutes rule, as long as it is within reason.

Tom Doucette with FCB Homes stated the company is standing up for what it thinks is right. He submitted an executive summary (filed) detailing the disputed issues and what FCB believes to be the correct reimbursable cost based on how the City's ordinance should be followed. After removing items unrelated to improvements, he believes the reimbursable amount is \$3,638,420, not \$6,203,976.86 as claimed by BDC and Elliot Homes, a \$2.5 million difference. Further, he took exception to the statement that FCB is not paying its fair share because the math used to calculate that statement took into account land outside of the area in question which drives down FCB's per-acre cost. He stated that in reality FCB has the highest cost per acre to the north.

Council Member Nakanishi stated he relies on and must follow the advice of the City Attorney for legal matters and, in this case, her opinion is important, as well as the statements made by the City Manager and Public Works Director. Since April, staff made no recommendation because of the attempt at mediation. A significant amount of time has been spent on this matter and it boils down to differing interpretations of the ordinance. He stated he supports the staff recommendation.

In response to Mayor Chandler, City Attorney Magdich asserted that she believes the City's ordinance was appropriately applied to the RA.

Council Member Johnson stated Mr. Herum raised questions that he did not see in the documentation relating to definition of improvements and legality of time for reimbursements and questioned if those concerns were ever conveyed to the City. Mr. Schwabauer stated the City received a letter from Mr. Herum with an argument about whether or not certain costs could be recovered; however, he does not recall receiving arguments about the code definitions and whether land costs should be included. With regard to the argument about oversizing, both internal and outside counsel reviewed the argument. Ms. Magdich concurred this is the first time some of the arguments have surfaced.

Mayor Pro Tempore Kuehne stated he agrees with Council Member Nakanishi that a significant amount of time has been spent on this and he relies on advice from legal staff, which was backed up by outside counsel. He stated he initially recommended arbitration, but that suggestion never progressed. After further discussions, he suggested an independent peer review, which took place and ultimately supported the position of City staff and the outside engineering firm. He stated he is prepared to support staff's recommendation.

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

Mayor Pro Tempore Kuehne made a motion to adopt resolution authorizing the City Manager to execute RA-18-01 for public improvements constructed with the Lodi Shopping Center as recommended by staff. The motion died for lack of a second.

Council Member Johnson stated he could not vote in support of this matter until some of the points brought up by Mr. Herum, including timeliness, definitions, and questions about the LMC, are answered. New arguments were brought forward, and he would like to see the results brought back before making a decision.

In response to Council Member Nakanishi, Ms. Magdich stated that an abstention without a conflict is considered a "yes" vote and silence is also recorded as a "yes" vote.

Ms. Magdich stated that, with regard to timing, BDC's application was timely and the delays were a result in working with the applicants in terms of arguments against it and continuing the hearing

for several months.

Mayor Chandler agreed that he would like to receive a response to the points raised by Mr. Herum before making a decision.

Mr. Schwabauer summarized that Council would like a response relating to the timeliness of the application and the statutory construction argument. Mayor Chandler added that he would also like an answer regarding capital facilities fees, to which Mr. Schwabauer stated that is part of the statutory construction argument.

Council Member Johnson stated that when this matter comes back to Council, it should focus only on the points raised and not revisiting everything brought forward to date. Once Council receives those answers, it should be prepared to make a decision.

Council Member Johnson made a motion, second by Council Member Nakanishi, to continue the public hearing to Tuesday, March 12, 2019, at 7 a.m., to consider adopting resolution authorizing the City Manager to execute Reimbursement Agreement RA-18-01 for public improvements constructed with Lodi Shopping Center.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Nakanishi, and Mayor Chandler

Noes: Mayor Pro Tempore Kuehne

Absent: Council Member Mounce

RECESS

At 9:47 p.m., Mayor Chandler called for a recess, and the City Council meeting reconvened at 9:54 p.m.

H. Regular Calendar

H-1 Adopt Resolution Authorizing City Manager to Execute Improvement Agreement for Gateway North Subdivision, Unit No. 1, Tract No. 3940 (PW)

City Manager Schwabauer recommended that Council continue this item to March 12, 2019, so that it may be heard at the same time as the continued item under G-1 relating to the Lodi Shopping Center Reimbursement Agreement (RA) based on the fact that the conditions in the RA are relevant to the obligations set forth in this agreement. There are two sides threatening to sue one another, and it is recommended that both items be discussed and acted upon at the same time as they are interrelated. If Council entertains continuing the item, the public has a right to comment on whether or not the matter should be continued.

Steve Herum, attorney representing Frontier Development, stated he believes the Subdivision Map Act is clear that an agreement cannot be held back because an RA is not yet approved and that doing so would be a violation of the Act. He pointed out that approval of this agreement does not mean his client escapes responsibilities under the RA and he urged Council move forward with this item.

Daryl Browman, Browman Development Company, stated that, out of fairness, this item should not move forward before approval of the Lodi Shopping Center RA. The RA has been delayed for 10 months while this project continued to move forward, and approving this agreement now sends a message that it is acceptable to change an RA that fits with the City's ordinance at the detriment of those who spent millions of dollars on improvements. He stated it is not appropriate to move forward with this item and requested Council continue this item to March 12, 2019, to be discussed at the same time as the Lodi Shopping Center RA.

Council Member Johnson encouraged all Council Members to be at the March 12, 2019, Special meeting and allow ample time in their schedules to address both items.

Council Member Nakanishi made a motion, second by Mayor Chandler, to continue the matter to March 12, 2019, at 7 a.m., to consider authorizing the City Manager to execute Improvement Agreement for Gateway North Subdivision, Unit No. 1, Tract No. 3940.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Council Member Mounce

*NOTE: Mayor Pro Tempore Kuehne abstained from the vote (per Lodi Municipal Code Section 2.04.140, his vote is recorded as a "yes" vote).

H-2 Receive and File City's Comprehensive Annual Financial Report (Fiscal Year 2017/18) by The Pun Group (CM)

Kenneth Pun with The Pun Group provided a PowerPoint presentation regarding the City's Comprehensive Annual Financial Report for fiscal year ending June 30, 2018. Specific topics of discussion included scope of work - financial statement audit, compliance audit, and agreed upon procedures; AU-C required communications; audit responsibilities - management and auditors' responsibilities; approach to audit; over view of financial statements; Comprehensive Annual Financial Report; summary statement of net position; summary statement of activities; summary balance sheet; summary statement of revenues, expenditures and changes in fund balance; key financial indicators and pension/OPEB information; sales tax; net cost of services to tax revenues; available fund balance to annual expenditures; GASB 68 - the pension standard; GASB 75 - the OPEB standard; single audit report; summary schedule of expenditures of federal awards; audit results; and Findings 2018-01 Procurement Policy.

Mayor Pro Tempore Kuehne complimented The Pun Group on a very thorough, easy to read report, adding that he appreciated the format of the forward, economic condition, and outlook.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, to receive and file the City's Comprehensive Annual Financial Report (Fiscal Year 2017/18) by The Pun Group.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Council Member Mounce

H-3 Provide Direction for Request for Proposal and Review Committee for Auditing Services (CM)

Deputy City Manager Andrew Keys provided a presentation regarding Request for Proposal and review committee for auditing services. Specific topics of discussion included previous Request for Proposal (RFP) process with staff sitting on the selection panel; selection of The Pun Group based on its experience and professionalism in its reports; recommendation to Council to approve three-year contract; Council's action to approve a one-year contract with staff returning for direction on the RFP process with Council Members included on the selection panel; The Pun Group's exceptional performance on this year's audit; The Pun Group's willingness to honor the original proposal for a multi-year contract; and request for Council direction on how to proceed. Mr. Keys stated the RFP has been prepared and is ready to be released. If Council would like to be a part of the process, he suggested a selection panel be created with two Council Members and key staff who would select the new auditors from there.

Council Members concurred The Pun Group did an amazing job on the audit and expressed a

preference to honor The Pun Group's original contract.

Mr. Keys stated staff will bring the item back at the next meeting for Council approval of a resolution approving the contract.

Mayor Pro Tempore Kuehne made a motion, second by Council Member Johnson, to continue auditing services with The Pun Group and direct staff to return at the next meeting with a resolution approving a contract with The Pun Group.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Council Member Mounce

H-4 Adopt Resolution Using Measure L to Add Six Police Officer Positions and Two Part-Time Community Service Officer Positions, Including Related Costs, Within the Police Department and to Add Three Firefighter Positions and One Battalion Chief Position, Including Related Costs, Within the Fire Department, and Appropriating Funds (\$980,720) (CM)

Deputy City Manager Andrew Keys provided a presentation regarding the use of Measure L funds to add six Police Officer positions and two part-time Community Service Officer positions within the Police Department and three Firefighter positions and one Battalion Chief position within the Fire Department. Specific topics of discussion included first recommendation from staff on Measure L expenses; estimated annual revenue of \$1.3 million in Fiscal Year 2018/19; recommendations address ballot questions relating to police, fire, and other essential services; recommendations that aim to address understaffing and increased volume of calls for service in the Police Department and browned out Engine 1 and minimum staffing levels in the Fire Department; recommendation includes related equipment and vehicles to meet the staffing requests; timeliness of getting new officers into the March academy, trained, and on the streets as soon as possible; Measure L funds still remaining in Fiscal Year 2018/19 for other needs; total request for the Police Department of \$548,000 this year and \$897,000 ongoing; and total request for the Fire Department of \$418,000 in Fiscal Year 2018/10 with roughly 30 percent tied up in the new positions going forward, which will be dependent on the one-time costs for training and certifying the new positions in the academy.

Council Member Johnson expressed concern about the short-term use of overtime in the Fire Department and suggested staff track it to ensure the new positions cut back on those hours. City Manager Schwabauer stated in the beginning there will likely be a short term flip in overtime and once the positions are filled it should be neutral, but he assured Council that staff will monitor overtime in the Department.

Council Member Nakanishi made a motion, second by Council Member Johnson, to adopt Resolution No. 2019-13 using Measure L to add six Police Officer positions and two part-time Community Service Officer positions, including related costs, within the Police Department and to add three Firefighter positions and one Battalion Chief position, including related costs, within the Fire Department, and appropriating funds in the amount of \$980,720.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Council Member Mounce

I. Ordinances – None

J. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 10:55 p.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk