

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JANUARY 16, 2008**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of January 16, 2008, was called to order by Mayor Mounce at 6:00 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

C-2 ANNOUNCEMENT OF CLOSED SESSION

a) Conference with Blair King, City Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), Regarding Lodi Police Dispatchers Association, International Brotherhood of Electrical Workers, and Association of Lodi City Employees Regarding Maintenance and Operators and General Services Pursuant to Government Code §54957.6

b) Threatened Litigation: Government Code §54956.9(b); One Case; Potential Suit by Part-Time Employees Regarding CalPERS Enrollment Against City of Lodi

C-3 ADJOURN TO CLOSED SESSION

At 6:00 p.m., Mayor Mounce adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 7:01 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:10 p.m., Mayor Mounce reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Both Items C-2 (a) and C-2 (b) were discussion only.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of January 16, 2008, was called to order by Mayor Mounce at 7:10 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Katzakian, and Mayor Mounce

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Johl

B. INVOCATION

The invocation was given by Pastor Chris Chavez, Heartland Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Mounce.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 Proclamations – None

D-3 (a) Mayor Mounce presented a Certificate of Recognition to David Akin for his 2007 Parks and Recreation Commission Chairmanship.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Council Member Johnson, Katzakian second, unanimously approved the following items hereinafter set forth **except those otherwise noted**:

- E-1 Claims were approved in the amount of \$6,697,178.55.
- E-2 The minutes of December 18, 2007 (Shirtsleeve Session), December 19, 2007 (Regular Meeting), December 25, 2007 (Shirtsleeve Session), January 1, 2008 (Shirtsleeve Session), January 2, 2008 (Regular Meeting), and January 8, 2008 (Shirtsleeve Session) were approved as written.
- E-3 Approved the request for proposal for acceptance testing and commissioning of the Killelea Substation Rehabilitation project.
- E-4 Adopted the following resolutions:
 - Resolution No. 2008-01 authorizing the City Manager to execute an agreement with Woodbridge Irrigation District for the reimbursement of costs for construction of raw water supply piping for the Lodi Surface Water Treatment Plant and appropriating \$60,000 from the Water Development Impact Fee fund; and
 - Resolution No. 2008-02 authorizing the City Manager to execute Amendment No. 1, in the amount of \$32,000, to the contract with HDR Engineering, Inc., to add raw water pump station design and consultations with California Department of Public Health and appropriating funds from the Water Development Impact Fee fund.
- E-5 Accepted improvements under the "Water and Wastewater Main Replacement Program, Project No. 3, Various Locations" contract.
- E-6 Adopted Resolution No. 2008-03 accepting the improvements in Century Meadows Park, 1833 Lexington Drive.
- E-7 Adopted Resolution No. 2008-04 authorizing the City Manager to approve the Northern California Power Agency Green Power Project Amended 3rd Phase Agreement.
- E-8 "Adopt Resolution Ratifying the Employment Agreement Extension between the City Manager and Electric Utility Director George Morrow" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-9 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period of October 9, 2007 through October 8, 2011" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-10 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the Period July 1, 2007 through December 31, 2009" was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar**.
- E-11 Affirmed the Highway 12 Safety and Harney Lane/Highway 99 Interchange projects as the City of Lodi's nominations for the San Joaquin Council of Governments' One Voice trip.
- E-12 Denied the request from San Joaquin Partnership for \$25,000 to serve as a partial match for a grant for the Stockton Metropolitan Airport.

ACTION ON ITEMS REMOVED FROM THE CONSENT CALENDAR

- E-8 "Adopt Resolution Ratifying the Employment Agreement Extension between the City Manager and Electric Utility Director George Morrow"

This item was pulled by Council Member Hitchcock for further information.

City Manager King provided a brief overview of the proposed extension of the employment agreement with the Electric Utility Director.

In response to Mayor Pro Tempore Hansen, Mr. King stated that there are some salary related dynamics with the City Manager and Electric Utility positions. He stated the Electric Utility Director is a highly valued employee and if there is a need at a later date to amend the 5% for him or other management employees, it will be brought back to the City Council.

Mayor Mounce stated she will not be voting in favor of the recommended action because she does not inherently support the six-month severance clause.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, adopted Resolution No. 2008-05 ratifying the employment agreement extension between the City Manager and Electric Utility Director George Morrow. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Johnson, and Katzakian

Noes: Council Members – Mayor Mounce

Absent: Council Members – None

- E-9 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period of October 9, 2007 through October 8, 2011"

This item was pulled by Council Member Hitchcock for further information.

Deputy City Manager Krueger provided a brief overview of the contract amendment and the proposed terms.

Council Member Hitchcock stated she will not be voting in favor of the recommended action due to her concerns regarding setting precedent, mandatory arbitration, salary surveys, long-term contracts, 20% differentials, and only a one percent tie in with the General Fund.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, adopted Resolution No. 2008-06 amending the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the period of October 9, 2007 through October 8, 2011. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

- E-10 "Adopt Resolution Amending the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the Period July 1, 2007 through December 31, 2009"

This item was pulled by Council Member Hitchcock for further information.

Deputy City Manager Krueger provided a brief overview of the contract amendment and the proposed terms.

Council Member Hitchcock stated she will not be voting in favor of the recommended action due to similar concerns as previously stated on the proposed MOU with the Police Officers Association.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated the total compensation figures are median numbers based on the salary surveys.

Discussion ensued between Council Member Johnson and Mr. Krueger regarding employee retention data, attrition, and retirements.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, adopted Resolution No. 2008-07 amending the Memorandum of Understanding between the City of Lodi and the Lodi Professional Firefighters for the period July 1, 2007 through December 31, 2009. The motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Katakian, and Mayor Mounce

Noes: Council Members – Hitchcock

Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Jack Dunn spoke of his concerns regarding credit card charges incurred by the City and Electric Utility for payments made by credit card and requested staff agendaize the matter for further review.
- Robert Raingruber spoke of his concerns regarding the erosion at Lodi Lake and submitted a letter regarding the same.

G. COMMENTS BY CITY COUNCIL MEMBERS ON NON-AGENDA ITEMS

- Council Member Johnson commended the various City departments for their efficient and effective response to the storms.
- Mayor Pro Tempore Hansen reported on his attendance at a workshop in Sacramento and discussed the shift from electric issues to water issues. He also commended the departments for their response to the storms.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

- City Manager King stated staff will research and provide an update on the Lodi Lake, credit card, and payment diversity options. He also urged attendance at the January 24 redevelopment open house and briefly discussed the City's receipt of two San Joaquin Council of Governments awards and Federal Emergency Management Agency flood maps.

I. PUBLIC HEARINGS

None.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously directed the City Clerk to post and re-post for the following vacancies on the Lodi Arts Commission:

Lodi Arts Commission

Post:

Cynthia Inman Term to expire July 1, 2008

Re-Post:

Two Vacancies Terms to expire July 1, 2008

One Vacancy Term to expire July 1, 2010

J-3 Miscellaneous

- a) The City Council, on motion of Council Member Hitchcock, Katzakian second, unanimously accepted the cumulative Monthly Protocol Account Report through December 31, 2007.

K. REGULAR CALENDAR

- K-1 "Consider Request from San Joaquin County Supervisor Ken Vogel Seeking Financial Assistance for the Development of an Armstrong Road Agricultural/Cluster Zoning Classification"

City Manager King provided a brief overview of the subject matter and Supervisor Vogel's request seeking financial assistance for the Armstrong Road zoning. He specifically discussed the recommended action to enter into negotiations with the County CEO Manual Lopez for an amount lesser than \$300,000, the County's consideration of a proposal, the City's role in developing the subject area, and the Council's discretion on the contribution amount.

In response to Council Member Hitchcock, Mr. King stated that, while there may be some duplication of effort with the General Plan amendment process, additional factual data may also be gathered as a result.

In response to Council Member Hitchcock, Mr. King stated the hierarchy of issues includes the comfort level with the current zoning and the level of participation to change that zoning. Mr. King stated it is his opinion that the Board of Supervisors will not proceed with the matter unless the City provides some financial support as well.

In response to Mayor Pro Tempore Hansen, Mr. King stated the 12 votes for the annexation are not necessarily those of the property owners.

Discussion ensued among Council Member Hitchcock, Mayor Mounce, and Mr. King regarding the recommended action, development compromise, citizen desires for the proposed area, Environmental Impact Report application, and the value of negotiations to the City.

In response to Mayor Pro Tempore Hansen, Mr. King confirmed that he believes the only way the matter can go forward with the Board of Supervisors is based on some form of financial contribution from the City.

In response to Council Members Katzakian and Hitchcock, Mr. King confirmed that the recommended action is to negotiate with Manual Lopez a contribution figure of less than \$300,000 to keep the project going forward.

In response to Council Member Johnson, Mr. King clarified that there are 181 property owners and there is a difference between the ability to vote if one is both a landowner and property owner versus just a landowner. Mr. King stated a voter must live in the voting district.

Pat Stockar spoke in support of a financial contribution from the City to the subject area zoning efforts and pursuing negotiations regarding the same. Discussion ensued between Mr. Stockar and Council Member Hitchcock regarding protections with AL-5 zoning, State law prohibition on leap frog development, proposal terms regarding annexation and development, discretion of local municipality to make decision, similar examples of zoning in Morada and Tracy, and the overall needs and desires of the farming community.

In response to Mayor Pro Tempore Hansen, City Attorney Schwabauer stated the sphere of influence does not give zoning authority until land is annexed and it is difficult to zone in perpetuity.

Bruce Fry spoke in support of a City financial contribution to the proposal and AL-5 zoning. A brief discussion ensued between Mr. Fry and Council Member Hitchcock regarding the terms of the proposal as they relate to property rights.

Pat Patrick spoke in support of the staff recommendation to enter into negotiations with the County CEAO to determine a contribution amount.

In response to Council Member Hitchcock, Planning Manager Peter Pirnejad provided a brief report of the Planning Commission's consideration, recommendation, and mixed reaction regarding the subject matter.

Ann Cerney spoke of her concerns regarding jurisdiction and a meaningful ability to participate in the process.

MOTION / VOTE:

The City Council, on motion of Council Member Johnson, Hansen second, unanimously directed the City Manager to negotiate with County Administrator Manuel Lopez and recommend a level of funding for subsequent Council consideration.

RECESS

At 9:30 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 9:40 p.m.

K. REGULAR CALENDAR (Continued)

K-2 "Adopt Resolution Approving Amendment to Woodbridge Irrigation District Water Purchase Agreement"

City Manager King briefly introduced the subject matter of an amendment to the water purchase agreement with the Woodbridge Irrigation District. Public Works Director Prima provided a brief presentation regarding the same.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the terms, price, and language of the agreement are similar and equal to the agreement with the city of Stockton.

Discussion ensued between Council Member Hitchcock, Mr. Prima, and Mr. Schwabauer regarding subordinating the first contract position to Stockton, right of first refusal for sale, rights for annexed land for both cities in the future, definitions of various types of water in the agreement, preclusion of the first 6,500 in the additional water term, related contract terms, dry year supply, hierarchy among the cities, and paragraph 3 of the initial and new contract.

In response to Council Member Katzakian, Mr. Prima stated the district runs from North Stockton up and to the west. He stated Stockton has annexed lands in the District. Mr. King stated a question regarding exercising the right to first refusal may still remain.

In response to Council Member Johnson, Mr. Prima stated Stockton will likely use its allocation before Lodi uses its allocation. He stated language and delivery will continue to be worked out.

Discussion ensued between Council Member Hitchcock, Mr. Prima, and Mr. Schwabauer regarding Stockton obtaining water after Lodi has received its allocation, dry year cut backs as defined by measurements from East Bay and not the actual amount of water, environmental based definitions, and banking of water.

In response to Council Member Hitchcock, Mr. Prima stated over time the water table will likely rise.

In response to Mayor Pro Tempore Hansen, Mr. Prima stated the District could stipulate regarding its ability to sell water to differing agencies.

Discussion ensued between Mayor Pro Tempore Hansen and Mr. Christensen regarding the ability of the District to provide future water, two to three year dry period in 21 years where approximately one half of the water was received, the District's future tied to annexations and agriculture, the City's ability to negotiate after 40 years, and additional water supply in the Delta and conservation efforts to meet obligations for both cities.

In response to Mayor Pro Tempore Hansen, Mr. Christensen stated it is difficult to take the water outside of the County for delivery purposes so the primary goal is to keep and use it locally.

In response to Mayor Pro Tempore Hansen, Mr. Prima confirmed that the City retains a right of first refusal.

In response to Council Member Johnson, Mr. Schwabauer stated reasonableness is generally determined by the courts and there is an obligation to negotiate in good faith. He also stated pinning down the 40 years was important.

Ann Cerney spoke of her concerns regarding fast growth, urbanization, and the need for water to remain in the North County.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, adopted Resolution No. 2008-08 approving amendment to Woodbridge Irrigation District Water Purchase Agreement. The motion carried by the following vote:

Ayes: Council Members – Hansen, Katzakian, and Mayor Mounce

Noes: Council Members – Hitchcock and Johnson

Absent: Council Members – None

K-3 “Mid-Year Budget Review and Adopt Resolution Revising 2007-08 Budget Appropriations”

City Manager King provided a brief introduction to the topic of mid-year budget review and related appropriations including training for committee and commission members.

Deputy City Manager Krueger provided a PowerPoint presentation regarding the mid-year budget review. Specific topics of discussion included general fund summary for adjustments and one-time expenses, electric fund summary, water fund summary, wastewater utility fund summary, vehicle replacement fund summary, self-insurance summary, community development fund summary, statements of changes in each fund, and position control for departments.

In response to Council Member Hitchcock, Mr. King stated the \$20,000 figure was arrived at based on history of conference usage and Planning Commission registration budget.

In response to Council Member Johnson, Mr. King stated the number allocated for the web camera appears to be sufficient at the current time.

In response to Mayor Pro Tempore Hansen, Fire Chief Pretz stated that, with respect to the \$190,000 figure for dispatch, \$150,000 is for equipment and \$40,000 is for training, tuition, and overtime.

In response to Council Member Johnson, Mr. Krueger stated position control was updated to include the four police jailers/dispatchers, who are also included in the training.

In response to Council Member Hitchcock, Chief Pretz stated the \$40,000 is both for overtime and training because the dispatchers have not received training since 2001.

In response to Mayor Pro Tempore Hansen, Interim Police Chief Main stated that, while the web cam is designed as a marketing tool, it does have video surveillance and retention capabilities.

Discussion ensued between Council Member Hitchcock and Electric Utility Director Morrow regarding the Roseville CT sale, related numbers, and the need for adjustments in the future.

In response to Mayor Pro Tempore Hansen, Mr. Krueger confirmed that the \$2.3 million was transferred from water to wastewater and reflected in the fund balances as needed.

In response to Council Member Hitchcock, Mr. King stated staff is addressing concerns regarding guidelines for the vehicle replacement policy and will bring the replacement schedule back for consideration.

MOTION #1 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, approved the one-time adjustment of \$190,000 for Fire dispatch and equipment. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Mounce

Noes: Council Members – Johnson

Absent: Council Members – None

MOTION #2 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously approved the one-time adjustment of \$50,000 for the Granicus system for the City Clerk's Office.

MOTION #3 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously approved the one-time adjustment of \$10,000 for web cam in downtown Lodi.

MOTION #4 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously approved the transfer of \$11,875 from Parks Donations to the Parks and Recreation budget for various small projects including riverbank repair at Lodi Lake.

MOTION #5 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Mounce second, unanimously appropriated \$20,000 to non-departmental accounts for the training and development of Board and Commission members through attendance at seminars and/or conferences.

MOTION #6 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously appropriated \$40,000 to the Public Works Department for the graffiti abatement program.

MOTION #7 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously transferred \$89,000 to the Equipment Replacement Fund for failing radio equipment in the Police Department.

MOTION #8 / VOTE:

The City Council, on motion of Council Member Johnson, Hansen second, unanimously revised position titles to Assistant Planner (from Transportation Technician) and Senior Building Inspector (from Plan Check Engineer) and added the position of Code Improvement Officer – Supervisor.

MOTION #9 / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously adopted Resolution No. 2008-09 revising the 2007-08 Operating and Capital Improvement Budget for the fiscal year beginning July 1, 2007 and ending June 30, 2008.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Council Member Johnson, Hansen second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

RECESS

At 11:30 p.m., Mayor Mounce called for a recess, and the City Council meeting reconvened at 11:35 p.m.

K. REGULAR CALENDAR (Continued)

K-4 “Review of City’s Annual Financial Report (Fiscal Year 2006-07) by Macias, Gini & O’Connell, LLP”

City Manager King provided a brief introduction of the subject matter and overview of the state budget.

Scott Brunner of Macias, Gini & O’Connell, LLP provide a brief overview of the Comprehensive Annual Financial Report (CAFR) summaries as provided in the report in the agenda packet.

In response to Council Member Hitchcock, Mr. Krueger stated staff is estimating on a conservative basis as it relates to mandated costs.

In response to Mayor Pro Tempore Hansen, Mr. Krueger and Mr. Brunner confirmed that an unqualified opinion states that nothing needs to be addressed or otherwise fixed.

In response to Mayor Mounce, Mr. Brunner confirmed that the prior years’ findings, including those associated with safety requirements and Community Development Block Grant, have been addressed, resolved, and no matters remain outstanding.

In response to Mayor Pro Tempore Hansen, Mr. King stated there is a phased approach to repairing the safety room needs and the IBM program provides back-up.

In response to Mayor Mounce, Mr. King stated there may be some incongruence between departments as it relates to CalPers, but it has to do generally with timing.

In response to Council Member Hitchcock, Mr. Krueger stated the general fund balance reflects both reserved and unreserved portions. Mr. King stated the minimum target for unrestricted unreserved is about \$6.5 million.

Discussion ensued between John Johnson, Mr. King, Mr. Krueger, and Mr. Brunner regarding the timing of the CAFR and the opportunity to have it completed earlier.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Johnson second, unanimously received the City's Annual Financial Report for fiscal year 2006-07.

- K-5 "Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement with Mark Thomas & Company and Cooperative Agreement with San Joaquin Council of Governments for Preparation of State Route 99/Harney Lane Interchange Project Study Report and Project Report and Appropriating Funds (\$700,000)"

City Engineer Wally Sandelin provided a brief presentation regarding the Harney Lane Widening Project. Specific topics of discussion included project location, reasoning for widening, timing, key areas, Lower Sacramento Road intersection, west of Lower Sacramento Road, east of Lower Sacramento Road, Hutchins Street intersection, and summary regarding the same.

In response to Council Member Hitchcock, Mr. King stated specifics regarding the funding remains unknown at the current time, but the objective is to start to prepare the plans, new development will be obligated to pay its share of costs, and developers will likely make up the difference from Measure K and grant funding.

MOTION / VOTE:

The City Council, on motion of Mayor Pro Tempore Hansen, Katzakian second, unanimously adopted Resolution No. 2008-10 authorizing the City Manager to execute a professional services agreement with Mark Thomas & Company and cooperative agreement with San Joaquin Council of Governments for preparation of State Route 99/Harney Lane Interchange Project Study Report and Project Report and appropriating funds in the amount of \$700,000.

L. ORDINANCES

None.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 12:16 a.m., Thursday, January 17, 2008.

ATTEST:

Randi Johl
City Clerk