

**LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, MAY 14, 2008**

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of May 14, 2008, was called to order by Mayor Pro Tempore Hansen at 7:00 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

B. REGULAR CALENDAR

B-1 "Review of the 2008-09 Draft Budget"

City Manager King briefly introduced the subject matter of the 2008-09 draft budget.

The review of individual departmental budget presentations, as set forth in the presentation documentation, including the summary sheet, current year accomplishments, and future year goals, continued from the May 13, 2008, Special City Council meeting for the departments listed below.

Public Works

In response to Council Member Hitchcock, Public Works Director Sandelin stated the street cleaning line item on page 156 has gone down due to the allocation of personnel costs, including contract landscape services, to other programs including wastewater. He stated the positions have remained the same, although the allocation has changed.

In response to Mayor Pro Tempore Hansen, Mr. Sandelin and Transportation Manager Tiffani Fink stated the agreement with the city of Galt takes care of the federal funds and the City is continuing to work with the Transportation Development Act and State Transit Assistance through San Joaquin Council of Governments (SJCOG) for State funding purposes.

In response to Mayor Pro Tempore Hansen, Ms. Fink confirmed that the issue with SJCOG is Measure K fund related and funding may be provided for Dial-A-Ride purposes from Measure K funds.

In response to Council Member Hitchcock, Ms. Fink stated decrease in ridership was due to a fare increase and service changes. She stated a transfer policy was also implemented that allowed for fewer transfers along the routes so that ridership was not counted multiple times, which allows for higher recovery of actual ridership. She stated staff will provide additional information regarding ridership numbers.

In response to Council Member Johnson, Ms. Fink stated recovery is comparable to that of other agencies with Dial-A-Ride at 10%, fixed route at 15% without Measure K, and about 20% with Measure K.

In response to Council Member Hitchcock, Mr. Sandelin stated the fleet budget increase from \$600,000 to \$1 million is related to the purchase of new buses from Proposition 1B funds.

In response to Council Member Hitchcock, Ms. Fink stated the special payments decreased with respect to the city of Galt \$300,000 allotment because the federal funding cycle is now caught up rather than running behind.

In response to Council Member Hitchcock, Mr. Sandelin confirmed that on pages 164 and 165 \$250,000 is for improvements and equipment for MSC, \$800,000 is for a capital project with rubber chip and seal, and Proposition 42 money is being used now rather than Measure K.

In response to Council Member Johnson and Mayor Pro Tempore Hansen, Mr. King stated that Measure K funds are not placed in jeopardy if another funding source is used because Measure K funds come by formula and Proposition 42 funds are not as reliable.

In response to Mayor Pro Tempore Hansen, Mr. Sandelin stated construction of the yard should be completed in spring 2009.

In response to Mayor Pro Tempore Hansen, Mr. Sandelin confirmed that all mechanic positions are filled.

In response to Council Member Hitchcock, Mr. Sandelin stated the supplies and materials budget for the street fund was reduced because, while street maintenance services are expanding, staff is being more creative on how materials are bought by moving the costs into capital projects.

In response to Council Member Hitchcock, Mr. Sandelin stated the \$2.6 million is a combination of street activities, materials, and related personnel costs.

In response to Mayor Pro Tempore Hansen, Mr. Sandelin stated not filling positions may impact some streets and maintenance services, cause possible delays with the water meter installation project, and possibly cause delays with the improvements on Lockeford Street, which is also due to communications with the railroad. Mr. King stated the franchise agreement for waste may allow for the filling of two positions.

In response to Council Member Hitchcock, Mr. King stated the filling of positions when the economy gets better will go through the 2009-10 budget process.

#### Parks and Recreation

In response to Mayor Pro Tempore Hansen, Interim Parks and Recreation Director Steve Dutra provided a brief explanation of unit participations in the various programs.

In response to Council Member Johnson, Mr. Dutra stated the former Recreation Director recommended that the number of recreation supervisors be reduced from four to three based on the work load.

In response to Mayor Pro Tempore Hansen, Mr. Dutra stated staff feels the fees are pretty comparable and the 6,500 number appears to be holding steady. Mr. Dutra stated the Bobcats are taking a year off and Lodi Swim is no longer participating. Mayor Pro Tempore Hansen requested participation comparisons over the last three years.

In response to Mayor Pro Tempore Hansen, Mr. Dutra stated there is 100% recovery of the adult programs, which are stable; although, there may be some leveling off of tournaments because the fields are too short. Mr. King stated there is a \$667,000 recommendation of support from the general fund.

In response to Council Member Hitchcock, Mr. King stated the overall recreation budget did increase from last year's budget with a mid-year adjustment to \$1.8 million for the Bridge after school program. A brief discussion ensued regarding the status of the same, which is not resolved as of the current date.

Community Center

The Community Center budget presentation was postponed to the May 21, 2008, meeting.

Library

In response to Mayor Pro Tempore Hansen, Library Services Director Nancy Martinez stated the heating, ventilation, and air conditioning project is moving forward along with other improvements based on a design and bid process and will likely begin in October.

In response to Mayor Pro Tempore Hansen, Ms. Martinez stated other improvements include the lobby, front entrance, restrooms, and staff areas.

In response to Council Member Hitchcock, Ms. Martinez confirmed that certain Library materials can be downloaded at home for use.

In response to Council Member Hitchcock, Ms. Martinez stated that, although material check out is low, computer usage continues to rise and will likely remain steady for some time.

In response to Council Member Hitchcock, Ms. Martinez stated the \$109.90 campaign is successful. She stated renovations have pretty much drained the budget; although, there may be some uncommitted funds remaining.

In response to Council Member Johnson, Ms. Martinez stated the needed computers are generally off the shelf.

Community Development

In response to Mayor Mounce, Community Improvement Manager Joseph Wood stated staff is continuing to work on the Zoning Code and it will be brought to the Planning Commission this year for its consideration.

In response to Mayor Pro Tempore Hansen, Mr. Wood confirmed that the \$431,000 represents two projects listed in the budget and funds are distributed directly from the County and shown as revenue on page 304. Mr. Wood also stated approximately \$111,000 of the \$793,000 is actual operating costs.

In response to Council Member Hitchcock, Mr. Wood stated the previous number for Community Development Block Grant (CDBG) allocations was larger because it includes the unused amount for reallocation supplement. Mr. King stated the CDBG process will be shown in the next year's budget based on operational costs only.

In response to Council Member Hitchcock, Mr. Wood stated the CDBG grant line item on page 314 did not include any handicap ramp retrofitting.

Discussion ensued between Mayor Pro Tempore Hansen, Mr. Wood, Building Official Dennis Canright, and Mr. King regarding plan check turn around, the number of permits in the current year at 11, the holding off of one position in light of building trends, the elimination of the contract position, the plan check engineer position classed down, the junior assistant position being frozen, and the transfer of the incumbent.

In response to Mayor Mounce, Mr. Wood and Mr. Canright confirmed that additional inspectors were hired when development increased and now they have been cut back due to the decrease in development.

In response to Council Member Johnson, Mr. Wood and Mr. Canright stated they have the manpower necessary for the current development market and they do not anticipate any big changes or spikes over the next year.

City Clerk

In response to Council Member Johnson, City Clerk Johl stated that the election costs will be greater due to the decertification of electronic voting machines by the Secretary of State's office. She stated the costs have been estimated based on numbers from the Registrar of Voters office and previous elections held in the City.

In response to Mayor Mounce, Ms. Johl stated that, based on rough estimates only, an additional measure may increase election costs by approximately \$10,000.

City Attorney

In response to Council Member Hitchcock, City Attorney Schwabauer stated the \$95,000 expenditure relates to four main cases, including Wal-Mart, water supply with the Woodbridge Irrigation District contract, AT&T litigation, and the 911 litigation.

In response to Council Member Hitchcock, Mr. Schwabauer confirmed that, if the litigation budget goes over, it is supplemented through the general fund.

In response to Mayor Pro Tempore Hansen, Mr. Schwabauer stated the Donavon litigation continues, although the PCE/TCE litigation generally has moved into the remediation stage.

RECESS

At 8:55 p.m., Mayor Mounce called for a recess, and the special meeting reconvened at 9:06 p.m.

B. REGULAR CALENDAR (Continued)

B-1 City Manager

(Cont'd.) In response to Council Member Hitchcock, Mr. King stated the actual numbers are not fully allocated as listed on page 331 and include the positions of management analyst and systems analyst, which are assigned to the City Manager's office as the home base unit because technically they could work anywhere in the City. Council Member Hitchcock suggested that staffing positions be listed in the budget according to where the position actually is rather than in the City Manager's budget.

In response to Mayor Pro Tempore Hansen, Mr. King stated the Enterprise Zone provisional application was made, process is going forth, the State is looking at agency budgets that are committed, and a decision is anticipated around July 1, although, there is some uncertainty with the State's budget.

In response to Council Member Hitchcock, Mr. King stated there is no direct off-setting revenue benefit to the City; although, there is the indirect benefit of job stimulus for the City.

In response to Council Member Hitchcock, Mr. King stated the out of pocket cost for the Enterprise Zone is approximately \$23,000 and possible staff time.

In response to Council Member Johnson, Mr. King stated the Lodi Conference and Visitors Bureau in 2006 voluntarily offered to take a reduction over a three-year period and the recommended current funding level is \$93,000.

Discussion ensued between Council Member Johnson, Mayor Pro Tempore Hansen, Mayor Mounce, and Mr. King regarding possible transient occupancy tax increases in connection with contribution levels and possible agreements with hotel owners.

Council Member Hitchcock suggested the contributions listed as donations be listed as economic partnerships.

In response to Mayor Mounce, Mr. King stated the expansion of a business improvement district would require County concurrence.

In response to Council Member Hitchcock, Budget Manager Kirk Evans stated the Fourth of July costs were provided by the Police Department and can vary greatly based on the day that the holiday falls on and the overtime needs.

In response to Mayor Pro Tempore Hansen, Human Resources Manager Dean Gualco stated currently recruitments are ongoing for ten positions, which are mostly for the Police Department.

In response to Mayor Mounce, Mr. Krueger stated the storekeeper position is working on delivering orders and the purchasing technician is processing purchase orders.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated customer service has improved through training and online pay will be coming on board shortly.

In response to Mayor Pro Tempore Hansen, Mr. Krueger stated that the front person was transferred to behind the counter service in addition to helping in front and interviews are being conducted for one additional person.

Discussion ensued between Council Member Hitchcock, Mr. Evans, Mr. Krueger, and Mr. King regarding the ability to stop risk liability contributions for a short period of time, monitoring and mid-year review of the same, the history of risk liability contributions, and the need for reserve funding for the general fund, maintenance, insurance, and electric utility.

In response to Council Member Hitchcock, Mr. Krueger stated non-departmental costs are those that are not identifiable with any specific department.

In response to Council Member Hitchcock, Mr. Krueger stated special payments are generally used for debt service. Council Member Hitchcock suggested using the language debt service as the identifier.

In response to Council Member Hitchcock, Mr. King stated page 371 shows the fund summary with expenditures and the vehicle replacement fund.

In response to Mayor Pro Tempore Hansen, Mr. King and Mr. Krueger confirmed that there will be approximately \$1.7 million in the vehicle replacement fund at the end of the year after certain vehicles have been replaced and the ongoing goal is \$2 million along with the creation of a schedule.

In response to Mayor Pro Tempore Hansen, Mr. King stated staff is unsure of the exact amount needed for deferred maintenance currently and is continuing to review the same.

In response to Council Member Hitchcock, Mr. Krueger stated the overall personnel savings numbers estimated in the budget uses the averages of large numbers Citywide rather than fractional numbers by departments.

In response to Mayor Pro Tempore Hansen, Mr. Krueger confirmed that options for unrealized personnel savings may be using unrestricted reserves or finding other ways to cut more.

Discussion ensued between Council Member Johnson, Council Member Hitchcock, and Mr. King regarding the previous elimination of frozen positions, the context of timing for the previous decision, the use of attrition to previously freeze positions versus not filling positions that are budgeted, and possible consideration of program based budgeting for personnel.

*Continued May 14, 2008*

MOTION/ VOTE:

There was no Council action taken on this matter.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 10:34 p.m.

ATTEST:

Randi Johl  
City Clerk