



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt a Resolution Authorizing the Issuance of CAL-Card Procurement Cards to City of Lodi Department Heads and Cancel Farmer's and Merchant Bank Visa Cards

MEETING DATE: June 16, 2010

PREPARED BY: Deputy City Manager/Internal Services Director

RECOMMENDED ACTION: Adopt a resolution authorizing the issuance of CAL-Card procurement cards to City of Lodi department heads and cancel Farmer's and Merchant Bank Visa cards.

BACKGROUND INFORMATION: Resolution 2005-261, passed by City Council on December 21, 2005, ratified the City's purchasing policies and procedures that included the provision for issuing CAL-Card procurement cards to employees authorized by resolution of the City Council. Since that time, two employees have been issued these procurement cards, the Buyer and Purchasing Technician. Staff is recommending expanding the use by issuing cards to department heads and canceling Farmer's and Merchant Visa cards issued to department heads.

In October 2008, Farmer's and Merchant Bank outsourced their credit card services to UMB Bank in Kansas City, Missouri. The transfer of services has shortened the payment terms to 25 days, which is often an inadequate turn-around time for department and City Manager review and processing of payments.

By moving to the CAL-Card procurement card, the City will realize several benefits not provided with the Farmer's and Merchant Visa cards, a few of which include:

- Payment terms of **45** days without penalty, which allows for staff review and processing of payments.
- Rebates - **The** City can earn rebates for prompt payments (the sooner a payment is made within the 45 days allowed, the greater the rebate), average transactions (total sales over the quarter divided by number of transactions generates dollars returned to the City) and volume sales (higher volumes generate greater rebates).
- Ability to specify the types of purchases authorized and to set spending limits.

It is recommended that CAL-Cards be issued to the following department heads along with monthly expenditure limits shown - these limits are identical to those available previously under the F&M Bank cards:

APPROVED: 
Konrad Bartlam, Interim City Manager

Department Head	CAL-Card Monthly Limit
Rad Bartlam, Interim City Manager	\$10,000
Randi Johl, City Clerk	\$15,000
Gary Benincasa, Interim Police Chief	\$15,000
Kevin Donnelly, Fire Chief	\$ 7,500
Nancy Martinez, Library Services Director	\$ 5,000
James Rodems, Interim Parks & Rec. Director/Comm. Center Director	\$ 5,000
Wally Sandelin, Public Works Director	\$ 5,000
Steve Schwabauer, City Attorney	\$ 5,000
Elizabeth Kirkley, Electric Utility Director	\$ 5,000

FISCAL IMPACT: No additional cost associated with the procurement card. Additional revenue in the form of quarterly rebates is unknown.

FUNDING AVAILABLE: Expenses charged to the CAL-Cards are included in departmental appropriations.



 Jordan Ayers
 Deputy City Manager/Internal Services Director

RESOLUTION NO. 2010-99

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE ISSUANCE OF CAL-CARD
PROCUREMENT CARDS TO CITY OF LODI
DEPARTMENT HEADS AND CANCELLING FARMERS
AND MERCHANTS BANK VISA CARDS

WHEREAS, Resolution No. 2005-261, adopted by the Lodi City Council on December 21, 2005, ratified purchasing policies and procedures that allow for the use of CAL-Card procurement cards by employees authorized by resolution of the City Council; and

WHEREAS, staff recommends issuance of CAL-Card procurement cards to Department Heads, and further recommends cancellation of Farmers & Merchants Bank Visa cards currently used.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the issuance of CAL-Card procurement cards to the following Department Heads with monthly spending limits as shown, and further authorizes cancellation of Farmers & Merchants Bank Visa cards:

Department Head	CAL-Card Monthly Limit
Rad Bartlam, Interim City Manager	\$10,000
Randi Johl, City Clerk	\$15,000
Gary Benincasa, Interim Police Chief	\$15,000
Kevin Donnelly, Fire Chief	\$7,500
Nancy Martinez, Library Services Director	\$5,000
James Rodems, Parks & Recreation Director	\$5,000
Wally Sandelin, Public Works Director	\$5,000
Steve Schwabauer, City Attorney	\$5,000
Elizabeth Kirklevy, Electric Utility Director	\$5,000

Dated: June 16, 2010

I hereby certify that Resolution No. 2010-99 was passed and adopted by the City Council of the City of Lodi in a regular meeting held June 16, 2010, by the following vote:

AYES: COUNCIL MEMBERS – Hansen, Hitchcock, Johnson, and Mounce

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – Mayor Katzakian

ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk