

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, FEBRUARY 4, 1998
7:00 P.M.**

1. ROLL CALL

Present: Council Members - Land, Mann, Pennino, Warner and Sieglock (Mayor)

Absent: Council Members - None

Also Present: City Manager Flynn, Deputy City Manager Keeter, Public Works Director Ronsko, City Engineer Prima, Community Development Director Bartlam, Finance Director McAthie, Police Chief Hansen, Parks and Recreation Director Williamson, Electric Utility Director Vallow, City Attorney Hays and City Clerk Reimche

2. INVOCATION

The invocation was given by Pastor David S. Hill, Grace Presbyterian Church.

3. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Sieglock.

4. AWARDS / PROCLAMATIONS / PRESENTATIONS

- a) Mayor Sieglock presented a proclamation to Pat Sherman with Animal Friends Connection proclaiming February 24, 1998 as "Spay Day USA 1998" in the City of Lodi.
- b) Police Chief Hansen introduced the Animal Shelter volunteers and updated the City Council on their accomplishments. Mayor Sieglock presented a Resolution of Appreciation honoring the Animal Shelter volunteers for their contribution to this community.
- c) Mayor Sieglock presented a plaque to outgoing Parks and Recreation Commission Chairperson, Robert Johnson, for his untiring and dedicated service to this community.
- d) Public Works Director Ronsko gave a report regarding current conditions in Lodi as it pertains to the recent heavy rains including the following information:
 - Lodi's Emergency Operations Center (EOC) has not been activated.
 - Rainfall since Thursday = 5 inches
 - City's storm retention basins averaged about 40% full.
 - Street Closures:
West Lockeford Street between Ham and Mills
Turner Road (#1 lanes only) between Stockton and SPRR underpass
 - Downed Trees:
Peterson Park - two eucalyptus trees
Lodi Lake Park - one locust tree
Private @ Hutchins and Park
 - Both Street and Water/Wastewater crews were out clearing storm drains on Tuesday.
 - Mokelumne River flows were increased to 2,000 cfs yesterday. Mokelumne River flows were increased to 3,000 cfs today. (River design capacity = 5,000 cfs)
 - River inflows between Camanche & Lodi = 300 cfs

- Current Reservoir Capacities:
Camanche = 78% 12.9 ft. below spillway
Pardee = 87% 8.8 ft. below spillway
PG&E = 15%

Mr. Ronsko advised that a Storm Information Hotline has been established which number is 333-6738. This number will be activated Thursday, February 5, 1998.

Mr. Ronsko concluded his remarks by advising the public about the City's policy regarding sandbag and sand requests.

Deputy City Manager Keeter gave a comprehensive update from the County EOC.

5. CONSENT CALENDAR

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

- a) Claims were approved in the amount of \$2,763,671.93 and Disbursements Through Wire Transfer in the amount of \$446,464.30.
- b) The minutes of January 21, 1998 (Regular Meeting) were approved as written.
- c) Received report of the sale of surplus vehicles in compliance with Section 3 of the Fleet Policies and Procedures.
- d) Approved the plans and specifications for Industrial Substation, Transformer #3 Addition and authorized advertising for bids.
- e) Approved the specifications for 52 Class 3 wood utility poles in the quantities and sizes shown below and authorized advertising for bids:
 - 10 ea. 35-foot
 - 32 ea. 45-foot
 - 5 ea. 50-foot
 - 5 ea. 55-foot
- f) Agenda item #E-6 entitled, "Purchase of equipment for the Animal Shelter" was removed from the Consent Calendar and discussed and acted upon following adoption of the Consent Calendar.
- g) Agenda item #E-7 entitled, "Resolution in support of the City of Tracy regarding Alameda County's legal action" was pulled from the agenda pursuant to staff's request.
- h) Adopted Resolution No. 98-23 amending Traffic Resolution No. 97-148 by approving a no-parking restriction on Wednesdays during certain hours on Almond Drive at Almondwood Place and giving the Public Works Director authority to establish and/or change the date and time to accommodate the purpose of the restriction.
- i) Approved the following development incentive for Scientific Specialties:
 - Reimbursement for the cost of extending the 10-inch sewer main in Thurman Street including ten percent (10%) for engineering, but not to exceed \$25,000.

- j) Authorized the City Manager to execute a professional services contract with Camp Dresser & McKee, Inc. to evaluate the corrosion of domestic trunk sewer outfall.
- k) Adopted Resolution No. 98-24 approving the membership agreement between the Northern California Joint Pole Association and City of Lodi and authorized the City Manager to execute the membership application and the agreement on behalf of the City.
- l) Adopted Resolution No. 98-22 approving the Policy and Guidelines for Imposing and Waiving Fines for Fair Political Practices Commission (FPPC) filings.

6. ACTION ON ITEM REMOVED FROM THE CONSENT CALENDAR

- a) Agenda item #E-6 entitled, "Purchase of equipment for the Animal Shelter".

Police Chief Hansen informed the City Council that the Animal Shelter currently has thirteen cat cages which will not accommodate the number of cats that pass through the shelter. By law, stray animals must be kept at the shelter for at least 72 hours, giving owners ample opportunity to claim them. Animals that are quarantined because of a bite or scratch must be kept ten days. At present, all thirteen cat cages are full on a daily basis and Animal Services Officers have resorted to keeping cats in cramped cages designed to be used in the old Carbon Monoxide (euthanasia) chamber. Still, Animal Control Officers are routinely forced to euthanize cats in an untimely manner. This bank of nine additional cages would provide the added cage space necessary to accommodate the cat population.

The Multi-Purpose Workstation and Overhead Reflector Light are needed to complete the shelter's conversion from euthanasia by Carbon Monoxide to euthanasia by lethal injection. The Carbon Monoxide chamber was dismantled in November, 1997, after it was discovered that it had significant leaks. This hastened a conversion to lethal injection, which is generally considered more humane. Thus far, the lethal injections have been conducted in make-shift conditions. The work station and reflector light will replace the Carbon Monoxide chamber in the shelter's Euthanasia Room. The work station, which is adjustable and equipped with running water and a sink, will also be used for administering vaccinations to, conducting examinations of, and the grooming of animals.

Council Member Pennino expressed his concern that this equipment is being funded from the Contingency Fund in light of the recent directive that all departments of the City reduce their Operating Budgets by 2%. Council Member Pennino indicated that he was not opposed to purchasing the equipment, but just the proposed funding source. Discussion followed with questions being directed to the City Manager.

The City Council, on motion of Council Member Pennino, Land second, unanimously adopted Resolution No. 98-21 approving the purchase of nine "Shorline" stainless steel cat cages (\$4,197.73), one Suburban Multi-Purpose 60 inch Workstation (\$1,938.54), and one Burton Overhead Reflector Light (\$1,068.57), for a total of \$7,204.94 (the funding source will be the Contingency Fund).

7. PUBLIC HEARINGS

None.

8. COMMUNICATIONS (CITY CLERK)

- a) The following report was presented to the City Council:
1. Planning Commission report of January 14, 1998
- b) The City Council, on motion of Council Member Pennino, Mann second, unanimously made the following appointment:

San Joaquin County Mosquito and Vector Control District

Jack Fiori Term to expire December 31, 1999

- c) The City Council, on motion of Mayor Sieglock, Pennino second, unanimously made the following appointment:

San Joaquin Valley Unified Air Pollution Control District Citizens Advisory Committee

Wade Broughton

- d) The City Council, on motion of Council Member Mann, Sieglock second, unanimously directed the City Clerk to post for the following expiring terms:

East Side Improvement Committee

Joann Mounce Term to expire March 1, 1998

Dawn Squires Term to expire March 1, 1998

9. REGULAR CALENDAR

- a) Agenda item #H-1 entitled, "Hutchins Street Square Conference and Performing Arts Center project update".

Fleet and Facilities Manager Callahan reminded the City Council that at its meeting of November 6, 1996, it awarded the contract for the Hutchins Street Square Conference and Performing Arts Center Project to F & H Construction, of Stockton, in the amount of \$8,262,010. At the time of the award, the Council appropriated funding from the \$10 million Certificates of Participation (COP), issued July 22, 1996, and anticipated construction fund interest earnings, for a total project estimated need of \$10,050,000. This included construction contingency moneys of \$948,100, or about 11.5%, and assumed that interest earnings would be approximately \$450,000.

The construction project has gone extremely well. F & H Construction has been an excellent contractor, and a true "partnering" relationship exists between them and City staff in keeping the project on schedule and within budget. Thirteen project goals, as shown below, were established at the beginning of the project through a partnering session that was attended by all "stakeholders", including City staff, contractor and subcontractors, architects, consultants and engineers.

1. No lost-time accidents.
2. Meeting or bettering all stakeholders' budgets through a commitment to efficiency.
3. Meeting or exceeding the established project schedule.
4. Each project participant will take pride in the work.

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5. The project will be completed so as to meet the high public expectation for this project.
6. Commitment to remain friends and respect each other throughout the project.
7. Use this job to create future opportunities.
8. Resolve conflict quickly, without litigation.
9. No back charges and no rejected work.
10. Reasonable and fair treatment in change order negotiation, with a target of 5% to 7% total change orders.
11. All stakeholders agree to attend and participate in the weekly progress meetings.
12. Payments will be made to the General contractor within 10 days of approved progress payments. Subcontractors will be paid within 10 day of receipt of the City payment.
13. All stakeholders commit to be proactive in the problem-solving process.

Most, if not all, of these goals will be met or exceeded. A key player for the City is our onsite Construction Manager, Gary Wiman, who oversees the project full time and deserves much of the credit for keeping us on task. The remodel of the existing multipurpose and theater buildings, plus the addition of backstage facilities, rotunda, and connecting galleries, is now almost complete. The contract completion date is March 29, 1998.

Project change orders to date total \$136,525. This is offset, however, by a \$130,794 deduct identified through a value-engineering process done at the outset, where the contractor and subcontractors had an opportunity to suggest more cost-effective ways to accomplish the design intent. The net change order amount to date is just \$5,730. Change orders to the end of the project are expected to cost about \$50,000. The total of all change orders anticipated to project close out is \$55,731, only .67% over the original contract amount. A change order percentage this low (only two-thirds of one percent), especially on a project of this magnitude, is exceptional and deserves recognition.

The architectural firm of Wenell Mattheis Bowe should be recognized for their quick response, attention to details, and overall commitment to the project. The addition of the amphitheater, furniture design and landscaping detail has been added to their project scope.

At the time of the contract award, several portions of the project were deferred or left out to ensure that adequate moneys were available. Now that the end of the work is in sight, we need to move forward with those portions as quickly as possible. Our intent is to issue change orders and utilize F & H Construction and as many subcontractors currently on the job as possible to accomplish these project additions. The Old LUHS Site Foundation has committed to raising significant amounts of money to make many of these needed items happen. The Foundation has raised over \$200,000 for theater seating (fixed and handicapped), has a \$120,000 commitment from F & H Construction to build the porte cochere as a donation, and is actively pursuing gifts from the community to repay the debt service. Other proposed project additions are: theatrical lighting, drapes, orchestra shell, data/communication wiring, security systems, site and building signage, landscaping, amphitheater, furniture, staff office/Fine Arts retrofit, and activity field fencing (for Camp Hutchins). The total estimated dollars needed is approximately \$1 million.

The Finance Director and the City Manager have estimated that the total of both actual and anticipated interest earnings available by the completion of the project will be approximately \$910,000, about \$460,000 more than originally planned. This brings the total available funds to \$10,510,000. The original contract amount of \$8,262,000, plus the anticipated change orders to the end of the project at \$55,731, plus the project additions and professional services fees can be accomplished within the funds available.

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The Hutchins Street Square Conference and Performing Arts Center, when completed, will be one of the premier facilities of its type in the area. It is truly a dream about to become a reality; a unique partnership between the City and the Foundation. We can all share in this success.

Also addressing this matter were Dennis Bennett, Chairman of the Old Lodi High School Site Foundation, and Charlene Lange, Community Center Director.

There was no action required for this item.

10. RECESS

Mayor Sieglock called for a five-minute recess and the City Council meeting reconvened at approximately 8:35 p.m.

11. REGULAR CALENDAR (Continued)

- a) Agenda item #H-2 entitled, "Electric Rate Schedule Public Benefits Charge".

(Council Member Pennino abstained from discussion and voting on this matter.)

Electric Utility Director Vallow reminded the City Council that at the August 19, 1997 Shirtsleeve Session, staff discussed AB1890 which requires all California electric utilities, including municipally-owned utilities, to expend funds in one or more of the following four general categories:

1. Cost-effective Demand-Side Management
2. Renewable Energy Resources and Technologies
3. Research, Development and Demonstration Program
4. Services for Low Income Electric Customers (including Rate Subsidies)

AB1890 established a total yearly expenditure obligation of 2.85% of the utilities' 1995 "revenue requirement". For the City, this state mandate amounts to \$1.025 million. Correspondence between the California Legislature and the California Municipal Utilities Association indicates that the PBC will be an ongoing requirement.

Unfortunately, past expenditures for the NCPA Geysers Effluent Project are creditable toward current and future PBC obligations and electric utility sales revenues are higher than those in 1995. For these reasons, a rate increase of only 2.50% is needed at this time. Revenues generated by this rate increase will directly benefit electric utility stakeholders (customers) by the revenues being reinvested in the community.

The 2.50% PBC-caused rate increase would apply to all standard published electric rate schedules except for Schedule EP (Power Purchase) and Schedule MR (Medical Residential Rider). The monthly impact on the average monthly bill would range from \$1.55 for residential and \$3.82 for small commercial up to \$1,124 for the largest customer accounts (G5). A May 1, 1998, PBC start date is recommended to allow sufficient time for reprogramming of the utility billing system.

Electric Utility Department staff has investigated alternative methods of funding the State PBC mandate including funding through sales revenues from existing electric rate schedules. With this alternative, there would be no short-term PBC impact on electric bills; however, in the long run, the residential and small commercial ratepayers' transition to open access would have to be delayed a year or more as a result of revenue erosion. For the above reason, this alternative is not recommended.

The Department will present PBC-funded program candidates to the Council in the near future. Only the City's Low Income Electric Rate Schedule ED, a portion of some Department salaries, the previously mentioned Geysers Effluent Project and the recently approved PBC grant to one of the City's largest electric customers qualify.

A lengthy discussion followed with questions being directed to staff, the City Manager and the City Attorney.

Addressing the City Council regarding the matter was Tony Alegre (no address given) who expressed his concern that City of Lodi electric utility reserves could be used rather than implementing the proposed rate increase.

Additional discussion followed. Council Member Mann indicated that he would like to see the ordinance include a sunset clause effective December 31, 2001.

The City Council, on motion of Council Member Warner, Mann second, introduced Ordinance No. 1655 entitled, "An Ordinance of the Lodi City Council Repealing Ordinance Nos. 1525, 1638 and 1641 and Enacting a New Ordinance Establishing Rates for the Sale of Electric Energy by the City of Lodi to Become Effective on All Electric Utility Billings Prepared by the City On Or After May 1, 1998" by the following vote:

Ayes: Council Members - Land, Mann, Warner and Sieglock (Mayor)
Noes: Council Members - None
Absent: Council Members - None
Abstain: Council Members - Pennino

12. ORDINANCES

None.

13. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

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

- a) City Manager Flynn announced that the City had just received word of death of a very valued City employee, Layton Bull, who was employed as Senior Programmer/Analyst for the City of Lodi. Mr. Flynn expressed sincere condolences on behalf of the City Council and City staff to the Bull family.
- b) Council Member Pennino requested that the topic of tourism and a visitors and conference center be the subject of a Shirtsleeve Session in the very near future. Following a brief discussion, it was concluded that this item will be discussed at the February 10, 1998 Shirtsleeve Session.
- c) It was pointed out by Mayor Sieglock that this was Dave Warner's last Council Meeting as he will be sworn in as Municipal Judge on February 9, 1998. The Mayor then asked Council Member Warner to come down to the podium where a presentation was made regarding the "Top 10 Reasons Why We Will Miss Dave Warner". Following the presentation, a gift was presented to Council Member Warner from the other members of the City Council in appreciation for his outstanding and untiring commitment to the City of Lodi while serving on the City Council.

Council Member Warner then returned to his seat at the Council table with parting comments which included his expressing what a pleasure it had been to serve the City in this capacity. Council Member Warner expressed his appreciation to former City Manager Tom Peterson, City Clerk Jennifer Perrin and City Attorney Bob McNatt, and to those persons presently holding these positions. Council Member Warner expressed his regret that he was not able to complete his term as Council Member and stated that he is not a quitter, but had no anticipation when he ran for this office that he would not complete his term. Mr. Warner expressed his sincere appreciation to his family for their support. Mr. Warner concluded his remarks by stating that he will do his best to do a good job in his new capacity and thanked the community for their support and confidence.

15. CLOSED SESSION

Mayor Sieglock announced that there was no need for the following Closed Sessions:

- a) Conference with labor negotiator, Human Resources Director Joanne Narloch, regarding International Brotherhood of Electrical Workers (IBEW) pursuant to Government Code §54957.6
- b) Actual Litigation - Government Code §54956.9(a). Henry Howard v. City of Lodi et al., San Joaquin County Superior Court No. 002379

16. ADJOURNMENT

There being no further business to come before the City Council, Mayor Sieglock adjourned the meeting at approximately 9:45 p.m.

ATTEST:

Alice M. Reimche
City Clerk