

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 22, 2003**

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of April 22, 2003, was called to order by Mayor Hitchcock at 7:00 a.m.

Present: Council Members – Beckman, Hansen, Howard, Land, and Mayor Hitchcock (left at 7:52 a.m.)

Absent: Council Members – None

Also Present: City Manager Flynn, City Attorney Hays, and Deputy City Clerk Perrin

CITY COUNCIL CALENDAR UPDATE

Deputy City Clerk Perrin reviewed the weekly calendar (filed).

B. REGULAR CALENDAR

B-1 “Review capital improvement budget submitted as part of the 2003-05 Financial Plan and Budget”

City Manager Flynn stated that in looking at next year’s capital budget, staff studied the revenues coming in, fund balance, transfers, and different sources of revenue, and after the appropriate adjustments, this capital budget has a fund balance of approximately \$2 million. There are a number of contingencies that could come up next year, including the relocation of the Finance Department (estimated cost of \$400,000), the completion of the police station, and repairs to or replacements of vehicles or fire engines, for which a fund balance is needed.

Deputy City Manager Keeter reviewed the recommended capital improvement projects (CIP) budget and reminded Council that the CIP is a planning document, which has flexibility allowing Council to proceed or halt projects. Ms. Keeter referred to budget documents and a “blue sheet” item that was presented to Council (both on file). The general fund capital outlay looks at projects and the acquisition and construction of items that are greater than \$10,000; anything less than that is a significant expenditure. The capital outlay fund on the general fund side is funded by property taxes (City receives 30% of the property taxes, which goes toward funding general fund capital), as well as grants, investment revenues, and impact fees. Departments requested a total of \$40,274,960 for the first year budget in the CIP, and staff is recommending approximately \$34,730,000. The second year requests totaled approximately \$56 million, and it is recommended that approximately \$24 million be funded.

Ms. Keeter outlined the six phases of a capital project: 1) designation; 2) study; 3) acquisition; 4) design; 5) construction; and 6) debt service to finance the project.

Ms. Keeter provided an overview of the following seven projects that staff is not recommending to fund this year:

- Outdoor firing range—recommended that it be deferred for two years. The original plan was to build an indoor range in the basement of the new public safety building, the cost of which was \$1.2 million to the overall project. In lieu of that the recommendation is to move it to the White Slough area and build an outdoor range for approximately \$350,000 for construction and \$50,000 for design.
- Animal shelter expansion—recommended that it be deferred for two years. This project is estimated at \$4.2 million. The plans and specifications have been completed, but have not been bid, and staff is currently undergoing a site plan review.
- Fire Station #2 replacement—recommended that it be deferred by one year and to continue to study, build, and lease buy back options for this project. The overall project cost is \$1.7 million. Staff recommended moving forward in the second year of the two-year budget with \$140,000 that would be used for design and temporary relocation of the firefighters.

- Aquatics Center construction—recommended that it be deferred by two years. This has an overall project cost of approximately \$6.9 million. Staff has completed the design phase and construction documents are 50% completed.
- Indoor Sports Center—recommended that it be deferred for two years. Overall project cost is approximately \$10.9 million. Staff has completed the planning and schematics and is now in design development, which would lead to construction documents.
- DeBenedetti Park—recommended that it be deferred for two years. Overall project cost is \$11.9 million. Staff is 50% complete on the construction documents phase.
- Old public safety building remodel—recommended that it be deferred for two years. The overall cost of the project is \$400,000 for the first year and \$2.8 million for the second year.

Council Member Hansen questioned when the two-year time line decision was made, to which Ms. Keeter responded that it was staff's recommendation to the City Council. The capital improvement requests totaled over \$40 million, all of which cannot be funded. A number of the projects are in various stages and can be deferred. It was felt that these projects are somewhat discretionary, i.e. the City is not mandated, and financially it would be prudent to wait.

Council Member Hansen expressed concern that the City has given out misleading information, specifically, that these projects, including the animal shelter, will now not commence until 2006, rather than in one year.

In reply to Council Member Hansen, Mr. Flynn responded that he felt these projects, specifically the animal shelter, could not be accomplished in this two-year budget unless the sales tax improved and the operating costs did not increase. The biggest drivers under the operating costs are the \$800,000 increase in workers compensation costs, the \$900,000 increase in the Public Employees' Retirement System (PERS) and medical care costs, and the \$300,000 increase in liability costs. The main reason for the increased cost in PERS is the 3% at 50 and 2% at 55 benefits. Mr. Flynn reported that there is \$2 million left in the capital fund from the Certificates of Participation (COP).

In regard to the firing range, Council Member Hansen stated that the use of the indoor facility is being stretched in terms of its safety and ventilation, and he expressed his concern with delaying the project until 2006. The smoke generated by the officers using the range has been a big problem, and at some point, the City may be told to cease using the facility. Police officers would then be forced to practice elsewhere as they are required by law to qualify in order to operate on the streets.

Mr. Flynn stated that Council can choose to use \$350,000 of the \$2 million. Council already used approximately \$700,000 for the soccer field, as well as \$171,000 for the design development of the indoor sports facility against his recommendation. In addition, there is an estimated cost of \$400,000 for the relocation of the Finance Department to the parking structure and the police station now under construction, which has a 5% contingency; however, he cautioned this is an expensive structure that could require more.

In reply to Council Member Land, City Manager Flynn stated that potential salary increases amount to an additional \$1 million each year. At the next Council meeting, staff will present different scenarios for discussion. If Council chooses not to give pay raises, the Council could save \$1 million a year, which could go back into the capital fund for projects such as the animal shelter.

Deputy City Manager Keeter reviewed the CIP requests that are being recommended for approval.

Public Safety Program—total request of projects \$2.1 million; recommending \$110,300 for approval as follows:

- \$12,000 for a base station emergency alerting system for the Fire Department; this is a one-time cost. The Fire Department has already replaced much of its apparatus and portable radios, and this new broadcasting equipment will complete the project. The goal is to eliminate the noise and high piercing tones on the dispatch radios.
- \$83,300 for the seven-year lease-purchase of two fire engines for the Fire Department; one in year one of the budget, and the second in year two. The request is to replace one engine that is 27 years old and another that is 22 years old.
- \$15,000 for the City's match to the Fire Department's grant application for the purchase of a mobile education center; if awarded, this would be a one-time cost.

Leisure, Culture, and Social Services—total request of approximately \$2.4 million; recommending \$175,000 for approval as follows:

- \$175,000 for the Parks and Recreation Department to be used for projects of its choice. Examples include upgrade of the Parks and Recreation master plan; conversion of office spaces for more privacy; upgrade of Recreation software; various Parks and Recreation maintenance and equipment projects; and upgrade of the phone system. Recommended in year two is \$300,000.

Community and Economic Development—total request of \$50,000; recommending \$50,000 over a two-year period as follows:

- \$50,000 for high-resolution geographic information systems (GIS) control survey. This project is shared by a number of enterprise funds and would provide the cornerstone for future implementation of a GIS. Staff would bring in an outside survey firm to establish horizontal and vertical coordinates at approximately 20 locations throughout the City. The first phase would complete the surveys, calculations, and the adjustments, and the second phase would construct control monuments in the field and file a record of survey. This request was submitted by Public Works and would benefit all utilities that use survey maps. This request would be split over two years between water, wastewater, impact, and electric utility funds.

General Government—total request of \$932,000; recommending \$196,250 for approval as follows:

- \$12,500 for the purchase of five lap top computers for Council Members. This is part of the overall project to provide Council with electronic agendas on-line. The original recommendation was that it be split over two years; however, the City Clerk has come forward with a solution to accomplish it all in the first year. The City Clerk is recommending the purchase of two laptops through her department fund balance from the current budget year, with the balance purchased in budget year 2003-04, so that all five laptops will be in place by the new fiscal year. Council Members' stations are wired appropriately and ready for implementation.

Council Member Hansen stated that he was no longer in favor of Council Members receiving laptops, especially in light of the fact that all departments have made sacrifices in their budget requests. He recognized the benefits, which are significant in terms of time saved; however, this is a very slim capital improvement project.

Mayor Pro Tempore Howard stated that the benefits of the program are strong enough to justify and support the purchase, which will result in an immediate cost savings. She suggested that the laptops could potentially be used by Planning Commissioners and other commissions that meet at the Carnegie Forum. This is an effort to bring the City on-line, provide faster information, and reduce the amount of paperwork and expense. A hard copy agenda and packet would still be available to the public at the Library, as well as at the public information table. Many of the other requests are to add computers or equipment to existing systems, which is not the case with Council. This would be a new program.

Ms. Keeter reminded Council that there is a personal computer (PC) replacement program, which funds \$75,000 to replace PCs. The five laptops do not fall within that category as they are not replacements. PC requests go through the Information Systems Division (ISD) for review and recommendation before being funded.

Council Member Land stated that it is a small amount and there is some cost savings; however, he recommended that the entire \$12,500 be deferred to the second budget year until the City receives further information on the PERS, general liability, and workers compensation costs.

- \$250,000, funded over a five-year period, for the Salvation Army Capital Campaign Project. It was recommended that \$50,000 be paid out of the general fund capital outlay and paid back through the redevelopment agency (RDA). On October 3, 2001, Council authorized the City to participate with the Salvation Army in funding its new homeless shelter in the amount of \$250,000 spread over five years; this is not a loan.

City Manager Flynn added that this represents the tax increment the City would receive in the future, which would be used to pay back the general fund.

Mayor Pro Tempore Howard stated that representatives from Salvation Army have expressed an interest in Council waiving the permit fees in lieu of the first payment in 2003. She felt this was a creative and reasonable proposal and would support it.

City Manager Flynn replied that the Community Development Director has expressed concern that this could set a precedent, to which Ms. Howard disagreed. She added that Council made the specific commitment to an organization and now it needs to follow through. If the funds are not yet available in the RDA, the City needs to look elsewhere to meet this commitment.

Council Member Land stated that the Salvation Army needed the additional space; however, Council had been encouraging the Salvation Army for a number of years to relocate its facility out of the downtown area.

Council Member Hansen pointed out that there would also be a small amount of savings in waiving the fees, as it did not amount to \$50,000. He felt this would not be precedent setting and that Council could evaluate each request individually.

Council Member Beckman felt that waiving the fees would set a precedent; however, he was in favor of such requests that help non-profit organizations. He further stated that he was opposed to the precedent that Council already set in giving money to a non-profit.

Mayor Hitchcock expressed concern about setting a precedent and stated that she did not recall Council approving this as a general fund expense, to which she is opposed. When this came forward, the suggestion was made that it be funded with Community Development Block Grant (CDBG) funds. Mayor Hitchcock was also concerned with spending RDA funds, which are not to be used for this particular purpose. There is 20% for low-cost housing, but that is the initial investment that is to be put back into the area in order to increase the cost of property tax to get an increment. This could take a long time to pay back if the City continues to use RDA increments in this way.

Council Member Land contended that this does meet the criteria of the RDA with the 20% set aside and it is increasing the tax base for the new Salvation Army. It is a benefit to the City, the RDA, and the downtown area.

- \$75,000 for the computer replacement fund. Examples of projects that were accomplished last year include the replacement of 25 PCs in general fund departments; replacement of 4 servers; acquisition of related software and support costs; replacement of one flatbed scanner, 2 hubs, and 2 Cisco access points; and replacement drives of related controllers and one printer. This fund supports the general fund PCs, while the enterprise funds submit their requests for PC replacements through their own budgets. The City does not have a specific replacement cycle, and computers are replaced as needed. ISD maintains an inventory and reviews each request that comes through to ensure it meets replacement requirements.
- \$20,000 request to evaluate the Lodi Arch structure. The request from Public Works is to hire a consultant to look at the electrical and structural integrity of the arch. Due to the budget constraints, it was initially determined that it not be recommended; however, it is being recommended with the caveat that the City pursue and obtain grants and/or sponsorships similar to what was done with the Arch bear.

Public Works Director Prima added that the request for wiring improvements came from Electric Utility because of the poor condition of the underside lights and the incorrect globe-style lights. The building is approaching 100 years old, and it would be prudent to have it assessed in the near future.

- \$45,000 from the enterprise fund for generator replacement for the Electric Utility Department at the Municipal Service Center (MSC). The existing generator is 20 years old and in poor condition. The new generator would support the emergency radio dispatch and equipment of the electric control dispatch area. It would also back up the computers, HVAC, well and pump monitoring equipment, outlets, and lights. It would also be used for some of the Fleet Shop circuits and fueling operations.

Ms. Keeter stated that the City received an additional request (filed) from Lodi Adopt-A-Child to fund two projects at the City-owned facility located at 100 E. Pine Street: \$35,457 for construction of a basement entrance and exit; and \$8,372 for restroom relocation. The justification for the request is that Lodi Adopt-A-Child would like to fully utilize the basement to its maximum potential; however, in order to do that the fire and uniform building codes require it to have another entrance and exit in the basement. Staff is not recommending approval of this request.

Council Member Hansen concurred with staff's recommendation and he questioned if this project would qualify next year for CDBG funds, to which Mr. Flynn replied that he was uncertain. There are questions by the Community Development Director as to the utilization of the basement. If it does qualify, it is possible that remaining CDBG funds may become available mid-year.

NOTE: Mayor Hitchcock left the meeting at 7:52 a.m.

Public Utilities—total request of \$28,305,000; recommending \$28,168,000 for approval as follows:

- \$1.5 million in the first year and \$1.3 million in the second year from the water capital fund for replacements, repair, and maintenance of old water systems. The older lines are primarily on the east side of town. Also included in the request is the repainting of the water tank, with an optional \$12,000 should Council decide to add a logo feature to two sides of the water tank.
- \$950,000, funded by water and impact mitigation funds, for water system capital expansion project. This would be for new water supplies, transmission facilities, and storage projects to meet demands of new development. Under surface water program acquisition, staff budgeted \$600,000 for the Woodbridge Irrigation District (WID) agreement. This is for the validation process in the first year, after which it will be \$1.2 million.

Public Works Director Prima explained that the validation will take place during the next few months and the \$600,000 is for the payment in year one.

- \$43,430 for trailer mounted vacuum system, which will be used extensively on the water and sewer replacement project over the next 10 to 15 years. It will be funded 50% through the water fund and 50% through the wastewater fund. This will be used to clean out sand, rocks, and other debris from over 4,300 water valve boxes and 1,500 meter boxes throughout the City.
- \$15,000 for White Slough headwork sluice gate replacement, funded through wastewater fund. There are currently two gates, one of which is inoperable due to the corrosive atmosphere in that area. \$10,000 of the total would be for the acquisition; \$5,000 for construction.
- \$40,000, funded through the wastewater enterprise fund, for professional services for the National Pollutant Discharge Elimination System (NPDES) permit, which is a mandated program. This would be to develop and implement a Mercury Source Reduction Public Outreach Program. The City currently has a consultant assisting with various projects, which staff hopes to use to implement this program; however, staff will review all proposals before making a determination.
- \$30,000 from the wastewater enterprise fund, spread over two years, for White Slough primary sedimentation tank repair. The recommendation is for \$15,000 in the first year to repair tank #4 and \$15,000 in the second year to repair tank #5.
- \$18.3 million for the facility improvement project at the wastewater treatment plant. The City is mandated through its discharge permit to make a number of repairs and improvements at the treatment plant. The funds would be used for construction of the aeration facility improvements, construction filtration and UV, and irrigation system expansion.

City Manager Flynn pointed out that this project is at the designation phase and this is only a preliminary outline of what the project may look like. The study is underway, and staff will continue to refine the costs and revenue sources. He stated that it may look like a 22% increase in wastewater rates; however, staff is not recommending that—this is only to show what it could look like.

In response to Council Member Hansen regarding the timeline, Public Works Director Prima responded that the City's current permit states that the tertiary filters should be on-line in June 2004. Staff intends to come back to Council with a rate analysis and more detail on the project.

Council Member Hansen questioned the documentation that shows \$29 million in year 2006, to which Mr. Prima replied that the \$29 million is the total for all three years. In 2005-06 there is an additional phase of land acquisition and wetland construction. That portion is still in the preliminary study phase, and staff is focusing now on the filters. The land acquisition and the wetland construction is related to relocating the discharge, which is not required specifically under the current permit, but there are concerns that even with putting in the filters and continuing to discharge to Dredger Cut, the City will not meet the discharge requirements under the current permit due to the toxicity limits.

Mayor Pro Tempore Howard added that the City has no choice but to respond to the upgrades and meet the standards; however, how it uses filters, wetlands, or relocation of the discharge point is up to the City. There are only so many options available to meet the requirements and address the toxicity levels, and it may come down to using a combination of alternatives.

Public Works Director Prima stated that while the City looked at various alternatives and performed its studies, the rules and standards were changing. As an example, during the master plan process, staff looked at total land disposal and estimated that it would take an additional 400 acres to build percolation ponds. Staff ran a pilot test on some of the best percolating properties, and because of the relatively low percolation rates compared to the estimates from the master plan, the land estimate doubled to 800 acres. The cost estimates on 800 acres were not good, and in that

interim period, the health department came out with new rules that said if the City is going to percolate wastewater in an area that has a drinking water/ground water source, the water is to be tertiary treated. Therefore, in addition to having more land to purchase, the City would be required to put in the filters as well.

City Manager Flynn stated that this is a major problem throughout California and particularly in the Delta area. The city of Vacaville had planned to upgrade its facilities for \$70 million; however, after plan submittal to the state, the cost went from \$70 million to \$130 million.

Public Works Director Prima indicated that if the City did not meet the state mandates, it could issue a ban on building permits and could potentially impose a fine. Depending on what the particular violation is, there are mandatory fines, which could be up to \$10,000 per day.

Mayor Pro Tempore Howard noted that there is a wastewater master plan that reviews the various options that were studied, and each had different costs associated with it, as well as long- or short-term plans for meeting the standards and what is anticipated in the future as far as new regulations.

Public Works Director Prima stated that he would schedule a time to review that information with the two new Council Members. This mandate stems from the Federal Clean Water Act, in which the goal was to create fishable, swimmable waters throughout the United States. Areas where there is significant drinking water use of surface water bodies like the Delta is becoming more of a concern. Most of the pressure to increase discharge standards in cities that discharge to the Delta are coming from those who take Delta water for drinking purposes.

Council Member Hansen questioned if, when this matter was debated and voted on through the state legislation, the option of making this a ballot measure and letting people vote on it was considered.

Mr. Prima responded that he is not sure that details like this were voted on in the state legislature. It voted for the water quality act, which implemented the Federal Clean Water Act, but beyond that it has been a series of regulatory actions and other minor legislative modifications. One of the last things done by the state assembly, senate, and the governor was to sign a bill that mandated fines for failure to comply. Details of getting a permit and the conditions placed in the permit are handled by the appointed regional water quality control boards and their staffs.

The federal government every so many years has allocated money to a revolving loan fund. The state of California sells bonds periodically for the loan program and issues low-interest rate loans at around 2.5% to 3%. Staff is considering all options to ensure that the cost of the project is not borne entirely by the rate payers. He added that there will be a component applied to the development fees.

- \$15,000 from the wastewater fund to replace the roof over the treatment plant boiler influent pump building. This is a 36 year old roof that has had a lot of maintenance and repair work.
- \$181,000 in year one and \$1.2 million in year two for the storm drainage system expansion project. This would be for storm drain facilities for new development and would include a system hydrology model. The storm drain improvements are required to serve the west side area of town for new development and would be for three basins: final design for basin G, preliminary design for basin F is completed, and the master planning is required for basin I to assure service is available upon demand for future build out. The system hydrology model for the first year would be \$45,000, and in year one staff is also recommending \$136,000 for the Tienda Drive/Vintner's Square project. Recommended in year 2004-05 are basin G pump station and piping and basin F acquisition.

- \$126,000 in year one and \$105,000 in year two for storm drain system capital maintenance. This would be for maintenance and repair on projects including: (year one) Elm Street, between Hutchins and Lee, and Westwood Street, between Lockeford and Lake; and (year two) Main Street and Lodi Avenue, Graves Park inlet structure, and a remote-actuated slide gate installation. It was noted that there is a "to be determined" figure under the Lodi Lake pump station modification as staff has not yet determined these costs. Ms. Keeter also noted that the Westwood Street, Graves Park, and Lodi Lake pump station projects are all related to the Lockeford Street flooding problem.
- \$1.1 million in 2003-04 and \$700,000 in 2004-05 from the wastewater capital outlay for wastewater collection system capital maintenance. This is a continuation of the wastewater collection system replacement and repair project, which repairs the older pipes that are constructed of terracotta clay or concrete and have reached their service life.
- \$1,036,000 for new electrical loads on new projects. Electric Utility has budgeted \$650,000 for line extensions, \$160,000 for service connections, \$160,000 for substructures, and \$66,000 for revenue metering.
- \$917,000 for distribution system improvements and \$2,200 for the dusk to dawn program in year one; \$1,083,000 for the second year. In 2003-04 Electric Utility hopes to rebuild downtown underground distribution systems in the final phase, construct underground feeders on Harney Lane from Ham to Mills, construct a 12kV feeder, reconstruct underground secondary in the Royal Crest and Tejon areas (rebudgeted item), reconstruct #6 cu. overhead lines in various areas, install two capacitor banks, and continue the dusk to dawn lighting. Year two has various projects listed as objectives.
- \$1.1 million in 2003-04 and \$950,000 in 2004-05 from the electric utility capital fund for street light improvement program. It is estimated that between 1,200 lights will be installed for the life of the project, which is a three- to five-year project. This would include installation of street lights in areas throughout the city where streets lights do not exist or where the existing lighting is insufficient.
- \$476,000 for year one, \$648,000 for year two, and \$270,000 in 2005-06 to finish the 60kV transmission line project. This would provide sufficient capacity to serve all three substations currently on the west side during emergency conditions. The City needs a third line to be constructed in this area from the Industrial Substation. The project is phased over a three-year period to coincide with the construction of the new west side substation, and this transmission line would service that.
- \$655,000 the first year and \$82,500 in second year for fiber optic system. Electric Utility has been discussing this project for a number of years and has done preliminary work. This would upgrade from leased copper phone lines to a high-speed fiber optic system, which would provide the communications medium for the City's Supervisory Control and Data Acquisition (SCADA) system to the electric substations. In addition the fiber optic system would be used for voice communication and a video security system to the substations. It is a loop configuration design that will greatly improve communications to the electric substations.

In reply to Mayor Pro Tempore Howard, Electric Utility Director Vallow stated that the primary reason is to connect the substations and City communications. The obvious off shoot is that the City is going into higher level communications, which it could also offer to customers as well. Once the basic system is in, it will grow with the community's needs and will provide options for other telecommunication services.

- \$87,500 from the electric utility capital outlay fund for each year to upgrade street light standards. Electric Utility has a four-year replacement program for 360 street lights, which would replace the painted steel street light standards with galvanized at various locations throughout the City.

- \$12,000 for the purchase of an 80kV DC HiPot insulation tester, which would replace a 35-year old tester. The old one has gone through several repair and modification cycles.
- \$12,000 from the electric utility capital outlay fund in the second year for the purchase of digital micro-ohmmeter. The tester currently in use is a 10 amp model, and the required method is to test all contacts and substation busbars at 100 amps.
- \$1.5 million in 2003-04 and \$1.1 million in 2004-05 for substation reconstruction. The first year would be for the reconstruction of Killelea Substation and miscellaneous work on McLane and Henning Substations. The second year includes work on the McLane and Industrial Substations, in addition to the study and design of the new substation on the west side. The fourth year out in the budget would include \$4.2 million to construct the west side substation.
- \$11,500 to replace a metering circuit analyzer. The current piece of equipment is from 1982 and does not test an entire metering installation; staff must rely on hand-eye coordination techniques to accomplish the work.

Transportation—\$6,361,700 was requested, and \$6,055,700 is recommended for approval as follows:

- \$150,000, funded out of the street, water, and wastewater impact fees, in year one for the MSC to add approximately 450 square feet of men's and women's restrooms and locker rooms. The building was built in 1972 to serve 34 total employees and has one women's restroom and two men's. MSC currently serves 5 women and 80 men. This is a project that the employees have discussed with the City Manager for a number of years.
- \$275,000 in year one and \$1.9 million in year two for the expansion of the Fleet Service Shop at MSC through transit, electric utility funds, water, and wastewater funds. This would be to expand the shop to include additional work space to accommodate the new vehicles, buses, and fire engines. There are significant deficiencies in the mechanical and electrical system at the shop, work space and storage is deficient, and some of the vehicles are too large to pull into the shop and close down the doors to work. It was pointed out that in the description it states that the project includes remodeling of the existing space and the evaluation of the expansion into the animal services shelter. Since staff is recommending deferral of the animal shelter project, it will be in its existing home longer, which could possibly limit the MSC expansion; however, the concept for the expansion does not require the shelter to be moved and so staff is comfortable moving forward with this recommendation.
- \$1,969,000 for street capital maintenance project. The request as submitted was for \$2,219,000; however, there were \$250,000 of unfunded projects included in the requests that could not be recommended because of the possible impact to the general fund capital outlay. The project of most interest is the Central City Railroad Safety Improvement Project, which includes the modification of the rail yard at Beckman and Lodi Avenue, thereby eliminating this line.
- \$406,200 for traffic signal and street lighting improvements. The request was for \$427,200 and included unfunded projects. This is for various signals and modifications including: (year one) Lodi/Mills Avenue; (year two) Cherokee Lane/Tokay Street and Ham/Harney Lane; and (year three) Lower Sacramento Road/Century Boulevard and Lockeford/Sacramento Street (not yet funded).
- \$3,255,500 for street expansion projects, which include expanding, widening, and extending to increase capacity for traffic growth. Projects include (in 2004-05) Lower Sacramento, Kettleman Lane to Kristen, which is a joint project between the City and county, and Century Boulevard, Sage and Lower Sacramento; and (in 2003-04) the Kettleman Lane gap closure project, which would widen it from three to four lanes. It would also accomplish miscellaneous street widening projects.

Council Member Hansen questioned if the City could complete the Kettleman Lane widening and request a refund from the State. Mr. Prima replied that the program being referred to is AB3090. There was a provision made a number of years ago by the State that allowed this under some criteria. Unfortunately with the State's budget crisis, it anticipated a large number of these requests and has limited the ability to do this. The San Joaquin Council of Governments (SJCOG) is working with the City to see what the options are; however, it does not look promising. One idea, which would not be the full widening improvements on the north side of Kettleman Lane, would be to widen the shoulder enough to get another traffic lane in and fix the left-turn problem at the Wal-Mart driveway, which is estimated at \$900,000 to \$1 million. Staff is looking at its own funding sources to see if there is any way to do at least this interim project on a short-term basis and deal with the full project at a future date. That would eliminate curb, gutter, and sidewalk and shoulders on the north side and would also eliminate the median. Council Member Hansen expressed support for this temporary solution and encouraged Council to consider it.

City Manager Flynn reminded Council that this is a state highway and, though we may have solutions that work, it still needs approval by State.

PUBLIC COMMENTS:

- Pat Patrick, representing the Salvation Army Capital Campaign Project, requested clarification on how the \$250,000 is funded through the RDA, yet covered under general fund. He further questioned whether or not the Salvation Army would receive a check toward the first year's payment, to which Mr. Flynn replied in the affirmative.
- Parks and Recreation Director Baltz cautioned that as projects are put on hold Council should recognize that estimates may increase annually by 3.5% to 4.5%.

Mayor Pro Tempore Howard announced that there would be a televised Special City Council meeting on April 30 at 7:00 p.m. to narrow down the budget process. This meeting will be an opportunity to view a preliminary combined budget before it is presented to Council in May.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 8:48 a.m.

ATTEST:

Jennifer M. Perrin
Deputy City Clerk