

**CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 23, 2004**

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, March 23, 2004, commencing at 7:02 a.m.

A. ROLL CALL

Present: Council Members – Beckman, Hitchcock (arrived at 7:03 a.m.), Land, and Mayor Hansen

Absent: Council Members – Howard

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

B. CITY COUNCIL CALENDAR UPDATE

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

ADJOURNED SPECIAL CITY COUNCIL MEETING

At 7:04 a.m., Mayor Hansen adjourned the Shirtsleeve Session to the Adjourned Special City Council meeting (*from Monday, March 22, 2004*) (NOTE: refer to the Adjourned Special City Council meeting minutes of March 23, 2004).

The Shirtsleeve Session meeting reconvened at 7:10 a.m.

C. TOPIC(S)

C-1 "Discussion regarding the Lodi Animal Shelter"

City Manager Flynn stated that staff has been exploring ways to build an animal shelter and to make animal services self-supporting. Mr. Flynn read from a Lodi News-Sentinel article dated March 10, 1906, in which the City imposed an animal license fee not exceeding \$2 on every male dog and \$4 on every female dog owned or harbored within the City limits. This fee was still in place in 1991, and nothing had been done over many years to make animal services self supporting. Staff is now suggesting that a reorganization take place wherein animal services is placed under Electric Utility on a temporary basis in order to make it an enterprise activity. Much of the focus has been on the pick up and disposal of animals, as opposed to providing a service that meets the humane needs of protecting domestic animals. Mr. Flynn read notable quotes of Lodi's history (filed) on how the City has funded projects.

With the aid of a handout (filed), Mr. Flynn reviewed the last 20 years of in-lieu of tax transfers between the enterprise funds and the general fund, demonstrating that the City's current process is not unusual. From 1985-86 through 1994-95, 16% of money transferred from the enterprise funds contributed to the operating expenses of the general fund, representing 16% of the enterprise revenues. From 1995-96 through 2004-05, the amount of money used by the enterprise funds to fund the general fund was 21%; however, the amount of money actually taken in was only 12%; therefore, the impact on the enterprise funds has been decreasing over the last ten years. Significant progress has been made in terms of using enterprise funds to fund public services and projects. Mr. Flynn acknowledged that fees charged for domestic animals would not pay for an animal shelter, but believed that if collections were improved there would be sufficient revenue to provide the kind of services that the community needs.

Staff has met with the Animal Shelter Task Force regarding the shelter and what can be done to improve services. Because of the State's financial crisis and the lack of funds in the general fund, the animal shelter project has come to a halt. Staff looked at examples of other communities and how they handle animal services: some are under the police department, others in public works (seen as a facility) or parks and recreation (serves as a public program). Lodi may be the first community suggesting the idea of putting animal services under Electric Utility. Part of the reasoning is that Electric Utility has money that could be used to build an animal shelter, including \$17 million that was borrowed for electric projects and its fund balance of \$6 million. The City needs an active humane society to contribute to the City's programs and a system where pet owners pay for their pets. Normally, the police department is an enforcement organization and is accustomed to consuming general fund dollars in order to deliver services. This proposal requires a different mind set, in which those involved in animal services recognize it as an enterprise that would be self supporting with the burden on those who benefit from the service provided.

Electric Utility Director Vallow stated that the end results would be new facilities, enhancement of services, and self-sufficiency. In considering the facilities being planned at the new Municipal Service Center, an idea formed that it could be redesigned as a multi-service center. Staff looked at the common elements and discovered that the cost of expanding a facility from 20,000 to 30,000 square feet is less expensive than building two separate facilities. The question to answer is can an existing function that is fully funded from the general fund transition to an enterprise type of function. There is also the issue relating to enforcement versus animal care functions. Mr. Vallow added that the Supreme Court ruled that police departments should not have an enterprise fund make up. He requested endorsement from Council to take this plan to the next step and redesign the facilities as a common structure, which could cut 30% to 40% from the capital costs and conserve space; for example, an additional two acres could be dedicated, without hindrance to Electric Utility, for animal functions.

Police Chief Adams stated that prior to 1993-94, the City operated a pound, which evolved to what is known today as animal services. The goal is to increase the number of adoptions and institute a "no-kill" policy, which cannot be accomplished in the current inadequate shelter. With regard to the enforcement aspect, Chief Adams did not envision Electric Utility staff issuing tickets—there would be cross transfer and connection between the Police Department and animal services; however, Electric Utility's strong marketing skills could help market programs to make animal services self sufficient. The animal services staff works in deplorable conditions and this would be a solution to the problem.

In response to Council Member Hitchcock, Mr. Flynn replied that staff is looking for thoughts and ideas from Council in order to put together a plan. It would most likely not come back to Council at its next meeting, as further research is necessary.

Mr. Vallow added that he envisioned returning to Council in April for authorization to spend a moderate amount of money to get a conceptual plan/redesign of the electric and animal services facilities.

Mayor Pro Tempore Beckman commented that there are two issues as he sees it: 1) structurally, where the animal services is going to be and whether it is going to be attached to the Electric Utility building, which would be a cost savings, and 2) operationally, what department would it be under.

In response to Mr. Beckman, Police Chief Adams stated that he was not aware of the Supreme Court decision that Mr. Vallow alluded to earlier; however, he is aware of criminal law sections that state police departments are not to have quotas or enforcement activities that raise money. Police departments do not look at citations, arrests, or fines through the courts as revenue generators; rather, law enforcement is a way to get voluntary compliance with the law.

In answer to Mr. Beckman, Mr. Vallow stated that he does not see the current functions being different in terms of reporting relationships or underlying philosophies because of the enforcement aspect. There will be new activities for marketing and community involvement that will be enterprise oriented.

City Manager Flynn added that there are non-public safety elements that will need to be looked into further, such as spaying/neutering, taking vicious, ill, or loose animals off the streets, educating families as to proper care of animals, and training. Staff will come back with a plan to show how this can be a stand-alone operation. In some communities, cities provide the shelter and contract with the SPCA or Humane Society to provide the services. In others, the Humane Society helps fund the city's programs.

Mayor Pro Tempore Beckman stated that he was in favor of the structural, physical location of the building, but not in favor of the organizational aspect.

Council Member Land agreed that the current shelter conditions are deplorable. He requested that an organizational flow chart, which shows who will report to whom, who will provide the training, etc., be presented to Council before discussions on the structure and enterprise fund issues are explored.

Mayor Hansen concurred that a business plan be put together for Council to consider at a regular meeting, which contains some of the concepts, the cooperative effort of sharing the facility, and costs. Mr. Hansen expressed concern that this might be confusing to citizens who do not understand the separation of City operations in terms of the funds and revenue streams, especially in light of the budget concerns.

In response to Mayor Hansen, Mr. Vallow replied that the timeline is to have either the old design or a new design within the next four to five months, and if the projects can be combined, the buildings could be occupied within two years.

PUBLIC COMMENTS:

- Sue Pixler, Chairperson of the Animal Shelter Task Force, agreed that this is a very interesting idea and is still in the formation stages. She expressed concern about tying it down to a specific plan at this point. She gave the example of Livermore, where the animal control officers are under the control of the police department, but the animal shelter (kenneling, animal care, and adoption functions) are run by non-police staff. Since the Animal Shelter Task Force's creation in 2001, it has attended over 20 City Council and Shirtsleeve Session meetings regarding the animal shelter facility, and four times the City Council has voted to move forward with the new shelter, which halted with the budget problems. She did not want to revisit any of the issues that had been belabored over the past several years. The opportunity for the facility exists with Electric Utility, and she encouraged Council to see what comes out of the discussions before settling on a definite outline on the operations.

D. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

E. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 7:58 a.m.

ATTEST:

Jennifer M. Perrin
Deputy City Clerk

Mayor's & Council Members' Weekly Calendar

WEEK OF MARCH 23, 2004

Tuesday, March 23, 2004

Reminder **Howard.** San Joaquin Council of Governments One Voice Trip, Washington D.C. March 21 – 26, 2004.

7:00 a.m. Shirtsleeve Session
1. Discussion regarding the Lodi Animal Shelter (EUD/PD)

5:00 – 7:30 p.m. Official Opening of the San Joaquin County Teen Court, San Joaquin County Superior Court, Room 34, 222 East Weber Street, Stockton.

Wednesday, March 24, 2004

Reminder **Hansen.** California Municipal Utilities Association Annual Conference, Monterey, CA. March 24 – 26, 2004.

Thursday, March 25, 2004

5:30 – 7:00 p.m. Grand Opening of E.W.E. Inc., 114 West Pine Street.

Friday, March 26, 2004

Saturday, March 27, 2004

Sunday, March 28, 2004

Monday, March 29, 2004

Disclaimer: This calendar contains only information that was provided to the City Clerk's Office.

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CITY OF LODI
COUNCIL COMMUNICATION

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AGENDA TITLE: Discussion Regarding the Lodi Animal Shelter
MEETING DATE: March 22, 2004
PREPARED BY: City Manager, Police Chief and Electric Utility Director

RECOMMENDED ACTION: That the Council discuss a proposed reorganization of the Animal Shelter and solutions for building a new Animal Shelter.

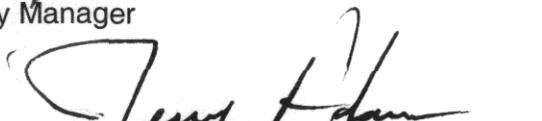
BACKGROUND INFORMATION: The City Manager has held a series of meetings to find a solution for the challenge of building a new Animal Shelter in Lodi. Among others, he met with the Animal Shelter Task Force, the Police Chief, and the Electric Utility Director. As part of those conversations, the discussions evolved to include a possible reorganization of the Animal Services Division whereby the function would be transferred from the Police Department to the Electric Utility Department.

Additionally, ideas developed whereby a long-term goal would include operating the Shelter in conjunction with a non-profit arm (much like the Old Lodi High School Foundation that supports Hutchins Street Square) as an enterprise.

Staff, with City Council's concurrence, would develop a strategic plan, to include a business plan, mission statement and policies and procedures, in order to achieve the goal of encouraging a self-sustaining program and a new Animal Shelter.

FUNDING: Not Applicable


H. Dixon Flynn, City Manager


Jerry Adams, Chief of Police


Alan Vallow, Electric Utility Director

HDF/si

APPROVED: _____
H. Dixon Flynn, City Manager

In-Lieu Transfers to the General Fund

	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	Total
Electric	1,066,470.00	2,092,670.00	1,799,810.00	2,100,000	1,704,730	2,325,635	3,000,000	3,000,000	3,400,195	4,160,000	24,649,510.00
Water	414,045.00	529,150.00	400,000.00	500,000	511,280	750,000	792,000	750,000	750,000	531,400	5,927,875.00
Wastewater	-	-	-	-	59,615	203,200	385,000	385,000	385,000	609,000	2,026,815.00
	1,480,515.00	2,621,820.00	2,199,810.00	2,600,000.00	2,275,625.00	3,278,835.00	4,177,000	4,135,000	4,535,195	5,300,400	32,604,200.00
As % of General Fund Expenditures	0.11	0.18	0.14	0.14	0.12	0.15	0.18	0.16	0.17	0.25	0.16
As % of Enterprise Revenues	0.06	0.11	0.08	0.09	0.07	0.09	0.10	0.10	0.11	0.13	0.16

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	Total
Electric	4,160,000	4,160,000	4,266,010	4,266,010	4,317,797	4,360,975	4,637,165	4,750,354	5,881,475	6,056,180	46,855,966.00
Water	531,400	531,400	656,400	656,400	568,064	573,745	603,095	603,095	715,080	681,940	6,120,619.00
Wastewater	609,000	609,000	667,900	667,900	797,104	805,075	774,950	774,950	755,040	794,550	7,255,469.00
	5,300,400	5,300,400	5,590,310	5,590,310	5,682,965	5,739,795	6,015,210	6,128,399	7,351,595	7,532,670	60,232,054.00
As % of General Fund Expenditures	0.23	0.23	0.23	0.22	0.22	0.21	0.20	0.20	0.21	0.20	0.21
As % of Enterprise Revenues	0.13	0.13	0.13	0.13	0.13	0.13	0.11	0.11	0.11	0.11	0.12

Final 3/23/04

Notable Quotes

Date	Quote
2/19/1927	<i>Lodi News-Sentinel</i> (Editorial)
	Through the profits on Lodi's municipal water plant, the city has been enabled to make large public improvements at a low tax rate, and at the same time, set aside a surplus of \$100,000 for a new city hall without issuing bonds.
2/23/1928	<i>Lodi News-Sentinel</i> (re: dedication of new city hall)
	(First Mayor) Lawrence— City hall was one of the dividends which the people have received on their investment in the corporation of Lodi which started in business 30 years ago. He recalled this as one of the conditions which Lodi found itself when the first board of trustees was organized and told of the passage of the first bond issue for \$126,000. With this money a sewerage plant was started, the water system was purchased and finally after considerable dickering the power system came under the control of the City.
2/23/1928	<i>Lodi News-Sentinel</i> (re: dedication of new city hall)
	Mayor W.A. Spooner— It is a striking example of what can be accomplished by municipally owned utilities when operated outside the realm of politics. Out of the revenue derived from our municipal owned electrical and water departments a sufficient profit has been derived over a period of but a few years to deliver this new administration building, complete in its entirety, to the people fully paid for and a sufficient balance in the City treasury to guarantee the proper attention to any needed requirements of the municipality. Let us frown upon all sectionalism, propaganda, no north, south, east or west; but one community spirit—a spirit that builds up—one that makes others admire and follow—a community united for public good, with the best paved and well lighted arteries of travel in the West. One of good schools and churches where one may follow the choice of his religion; clean home-loving community proud of its past and determined to continue in the same path.

Filed 3/23/04

2/23/1928

Lodi News-Sentinel
(Editorial)

And how can a community build itself up by crying itself down?
Lodi is all right if she will but think so. Her people are generous, public spirited, and ambitious. They deserve the encouragement of their own good opinion of themselves. It shall always be the delight of this paper to throw fresh fuel on the fires of our young city's local pride.

1906

Lodi News-Sentinel
(Editorial)

Lodi aspires to be a city.
Then let her cast off the swaddling clothes of the nursling country village and assume the manners of the self-respecting and progressive center of industrial commercial activity that she ought to be.

2/27/1906

Lodi News-Sentinel
(Editorial)

The town that succeeds permanently is the town that goes ahead boldly making improvements.
Opposed to this spirit of progress, possible only to towns of municipal government is the erroneously termed "conservative" element, which frowns upon any proposed improvement—that cannot see an inch beyond the tax rate of the present year and is too timid to go half way to meet prosperity.
Such an element is inclined to hold the nickel so close to its eye that it cannot see the hog dollar immediately behind it.