

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 11, 2005**

A. CALL TO ORDER / ROLL CALL

The Special City Council meeting of May 11, 2005, was called to order by Mayor Beckman at 6:32 p.m.

Present: Council Members – Hansen, Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

Also Present: City Manager King, City Attorney Schwabauer, and City Clerk Blackston

B. REGULAR CALENDAR

B-1 “Discussion and review of the 2005-06 Financial Plan and Budget – presentations by Departments and Divisions”

City Manager King reported that the General Fund reserve is projected to be \$1,565,000 at the end of fiscal year 2005-06. General Fund revenue is projected to increase 14%. Twenty-nine positions will remain unfilled. Debt service payments from the General Fund will total \$1.7 million. The Library will receive the same amount of revenue from the General Fund in 2005-06 as it did the previous year, and by the end of the fiscal year, the Library Fund is projected to have \$619,000 in reserve. At the end of fiscal year 2005-06, the Water Fund is projected to have just over \$1 million in reserve and the Wastewater Fund will have \$850,000 in reserve. Electric Utility is projected to have a deficit of \$2.2 million at the end of the 2005-06 fiscal year.

In reference to the City Manager’s Budget Message, page ii (filed), Mr. King mentioned that he had made two assumptions, which were incorrect. The revenue projections for 2005-06 in the Budget Message are accurate; however, the explanations changed and will be corrected in an amended document.

Police Chief Adams reported that the Police Department made budget cuts totaling \$683,800, representing 5.25% of its \$13 million budget. The budget cuts were accomplished through the following means:

- Lieutenant vacancy in Detective Division
- Detective vacancy in Crack Net Metro Unit
- Records Clerk vacancy
- Dispatch Jailer (special assignment in property and evidence unit) vacancy
- Elimination of part-time chaplain
- Elimination of part-time Parking Appeals Technician
- Part-time Fraud Investigator will be refunded through grant funds
- Police Mid-Managers agreed to give up their Administrative Leave buy-out benefit
- Overtime was reduced \$136,000
- Telephone, cell phone, and pagers were reduced \$14,000
- Equipment was reduced \$72,000
- Animal Shelter reduced overtime and part-time hours
- Part-time Park Patrol Officer will be decreased in winter months

Chief Adams reviewed the following 2004-05 accomplishments: 1) Completed relocation to new police building; 2) Implemented volunteer Police Cadet program; 3) Added a 5th beat alignment and changed district designators to Heritage, Sunset, and Central Divisions and eliminated the Eastside / Westside Divisions; and 4) Expanded legislative efforts for public safety issues.

Chief Adams reported that goals established for the next fiscal year include: 1) Closely monitoring budget reduction objectives and watching crime and traffic statistics to determine if reduction in overtime has a detrimental effect; 2) Enhance community oriented policing and work more closely with Community Development's Code Enforcement Division through the Police Partners program; 3) The Crime Stoppers Program will be enhanced at high schools; 4) Continue proactive intervention efforts in gang and drug related enforcement; 5) Promotion of joint Police and Fire training facility with Delta College; and 6) Completion of management audit by Commission on Peace Officers Standards and Training.

In answer to Council Member Hansen, Chief Adams reported that the Park Patrol summer months are from May to September. He stated that overtime related to Driving Under the Influence (DUI) enforcement would be decreased.

Council Member Mounce asked to be provided with documentation that shows how overtime relates to the number of DUI cases. She inquired whether any of the \$3,000 in fines associated with each DUI case goes to the City to offset costs incurred.

Chief Adams replied that most of the revenue from DUI fines goes to the State and County. He reported that grants from the Office of Traffic Safety have been received in the past, which has helped to pay costs related to DUI checkpoints.

In response to Council Member Mounce, Finance Director Krueger stated that he attempted to estimate "fully loaded" costs for each department and allocate health insurance and benefits accordingly; however, he underestimated \$300,000 and programmed that amount into the general fund to cover the shortage.

In reply to Council Member Johnson, Mr. King acknowledged that the Governmental Accounting Standards Board has issued a new rule stating that the liability for future retiree health care benefits must be accrued presently. He was unsure how it would apply to Lodi or what cost would be associated with it.

Fire Chief Pretz reported that the Fire Department budget for 2005-06 is \$8.1 million, which represents 19% of the General Fund budget. Two firefighter positions will remain unfilled during the coming year and the contract for the Emergency Medical Services Coordinator will end on June 30, 2005. He noted, however, that these cuts may result in some additional overtime costs. He stated that contracts with cell phone and pager providers have been renegotiated and overtime for training has been reduced. Budget reductions for 2005-06 total \$324,000. He reviewed the following accomplishments: 1) Reestablished a downtown engine company, 2) Prepared the Fire Department Strategic Plan, 3) Placed the Fire Prevention Mobile Safety Home and two new engines into service, 4) Participated in self-contained breathing apparatus grant, and 5) Developed Emergency Medical Service training program. Goals for 2005-06 include implementing the fire prevention bureau inspection program and self-contained breathing apparatus grant award program.

In response to Council inquiries, Chief Pretz reported that overtime was shifted from training to the operations budget. He explained that there may be some additional overtime cost due to being short two firefighters; however, it should not affect the "bottom line" of the budget. He stated that salary and benefits for two firefighters is approximately \$150,000. The overtime anticipated to cover the positions is expected to cost \$40,000. He noted that the Lodi Fire Department trains with the County Hazardous Materials Team and is also part of the Countywide Urban Search and Technical Rescue Team.

Public Works Director Prima reported that the Water and Wastewater Division budget is nearly \$25 million. There are 41 positions, including three staff assigned to engineering. The budget includes \$1.6 million in technical and legal work for remaining elements of the

PCE/TCE contamination. A separate fund has been set up for the central plume, the cost of which was not included in the budget figures. 2004-05 accomplishments included: 1) The White Slough tertiary project, 2) The second major water/wastewater main replacement, and 3) Prepared required Homeland Security Water System Analysis. Goals for 2005-06 include: 1) PCE/TCE cleanup implementation, 2) White Slough discharge permit, 3) Implementation of the Woodbridge Irrigation District water purchase, and 4) General Plan infrastructure studies.

Mr. Prima reported that the Streets Division budget is just under \$6 million. 2004-05 accomplishments included the Kettleman Lane and Lower Sacramento Road widening projects and the signal at Lodi and Mills Avenues. It is hoped that the Century Boulevard extension will be completed in the coming year. The Transit Division budget is \$3.9 million. Accomplishments in 2004-05 included: 1) Joint projects with Lodi Unified School District for the compressed natural gas (CNG) fuel station and bus wash facility, 2) Grants were obtained for ten buses, 3) Resolved the Lodi/Galt urbanized Area Memorandum of Understanding related to Federal Transit funding, and 4) Fares were increased. Goals for 2005-06 include making improvements to the short-term transit plan and the bus shelter program. The Fleet & Facilities Division budget is \$2 million. Accomplishments in 2004-05 included: 1) restructuring the janitorial services contract for a savings of \$60,000 annually, 2) Assisted the departments of Police, Finance, and Information Systems with relocations, 3) Fire Station repairs to the heating and air conditioning system and roof, and 4) Upgraded fleet maintenance program software. Goals for 2005-06 will include: 1) Improved management of service contracts, 2) Expansion of CNG fueling system and Municipal Service Center facility, and 3) Resolution of court space at the new police building. The Administration & Engineering Division's budget is \$2 million. Accomplishments in 2004-05 included implementation of a storm drainage model and the departmental safety manual update. Emphasis next year will be on the General Plan update and financial restructure of the department to reduce general fund impacts.

In answer to Council inquiries, Mr. Prima reported that all smog, body work, specialized repairs, and certification of cranes and lifts is done by outside businesses. Staff checks outside contractor prices periodically for various work, but often finds that it is more expensive. In reference to graffiti abatement, Mr. Prima stated that patrol would be cut back and there would be more reliance on reporting. A recommendation will be brought forward to Council to cut some of the low volume public transit service hours.

Council Member Mounce suggested that additional efforts be made to inform the public of where to report graffiti. She emphasized the importance of continuing water and sewer main replacement in the older sections of Lodi.

RECESS

At 8:46 p.m., Mayor Beckman called for a recess, and the City Council meeting reconvened at 8:55 p.m.

B. REGULAR CALENDAR

B-1 Electric Utility Director Vallow outlined the following 2004-05 accomplishments: (Cont'd.) 1) Independent power supply to the White Slough facility, 2) Began 60kV expansion on Harney Lane, 3) Upgrades have been made to the Supervisory Control and Data Acquisition system, 4) First phase of fiber optics systems was completed, 5) Finished Phase 4 of the streetlight completion project, 6) Killelea Substation design and engineering work has been done, and 7) Assumed responsibility for meter reading personnel. The Utility's emphasis in 2005-06 will be on a 12kV transmission line from Lodi to White Slough to provide a second source of power, finishing the street lighting program, reinforcing the transmission system, and fiscal stabilization.

Council Member Hansen suggested that the streetlight program be reconsidered. Mr. Hansen reported that many citizens have expressed complaints about the cable provider and he recommended that further review take place on the feasibility of the City getting more involved in fiber optics.

In reference to the "special payments" of \$5.2 million and transfer to other funds of \$2.9 million, Mr. Vallow explained that the \$5.2 million amount represented the internal debt service for the bond issues of the buyout of the Calpine contract. The \$2.9 million figure represented the City's cost of services. \$1.2 million is the Certificates of Participation for capital improvements and \$4.1 million is this year's debt service on the Calpine buyout, which runs through 2011.

Council asked to be provided with an itemized breakdown of the \$5.2 million in special payments.

Mr. Vallow reported that there are no plans in the near future to fill the vacant Senior Power Engineer position. In addition, the Resource Planning and Rates & Resources Manager positions are vacant. Two retirements are anticipated for the positions of Lineman and Inspector.

Deputy City Manager Keeter noted that of the 17 vacant positions showing in Electric Utility's budget, there were some being backfilled by contract positions.

Council Member Mounce hoped that the street lighting program would not be delayed, as it is important to the safety of residents.

Council Member Johnson felt that streetlights with the greatest illumination should be used, rather than choosing a light for aesthetic qualities.

Mr. King stated that staff would bring back the issue of the street lighting program to Council before the budget is voted on. He pointed out that if the program is funded out of bond proceeds, whether it was used to pay for street lighting or another capital project, there would not be a savings because the City is committed to retiring the debt.

Mayor Pro Tempore Hitchcock recalled that, in the past, the City would assess homeowners for the value of streetlights and it was placed on their tax bill over a 30-year period. When former Mayor Alan Nakanishi was in office, a program was started with a goal of installing streetlights in areas that did not have them, which meant that ratepayers were funding the program. Ms. Hitchcock stated that she attended the bond meetings in San Francisco and the street lighting program was not one of the projects that was part of the bond.

Parks & Recreation Director Goehring reported that the Department has a budget of \$3.7 million with 31 full-time employees and 275 part-time employees. There is one full-time vacancy in Administration and two full-time vacancies in the Parks Division. In 2004-05, overall department revenue was increased 31% through implementation of a three-tier registration system, which allows for Lodi resident priority. Mr. Goehring did not believe that the increased fee structure was negatively impacting recreational programs. He stated that Lodi's fees are affordable and comparable with other cities. He reviewed the following 2004-05 accomplishments: 1) Completed \$53,000 Blakely Park pool plastering project, 2) Near completion on \$45,000 Maxicom irrigation system project, 3) Various Community Development Block Grant fund projects were completed, 4) Reopened the Lodi Skate Park, 5) Parks Division relocated to the recreation annex building, 6) Created community partnerships on parks and other projects with the Lodi Lions Club, Lodi-Tokay Rotary, Lodi Association of Realtors, A.G. Spanos Company, Boosters of Boys & Girls Sports, Lodi Electric Utility, and Lodi Sports Foundation. Mr. Goehring stated that a facility rental rate proposal would be brought to Council in July or August.

Council Member Johnson noted that other communities utilize an alternative workforce program for park maintenance and he asked for an update on the concept from Parks & Recreation.

Library Services Director Martinez reported that the Library has a budget of \$1.6 million, with 16 full-time and 22 part-time employees. The Literacy Services Coordinator position has been added under the Administration and Operations portion of the Library budget. Two vacancies currently exist in the Library. Accomplishments for 2004-05 include: 1) Installation of an integrated library system, 2) Installation of two wireless receivers, 3) Through grants, special services are offered to small businesses and non-profits, 4) Through a grant from the Great Valley Center, a Vista volunteer coordinates the Library's computer learning center, and 5) Virtual reference services are offered through membership in the 49-99 Cooperative Library System. Goals for 2005-06 include refurbishing the Library's interior, streamlining library procedures for efficiency, and further development of community partnerships.

In answer to Council inquiries, Ms. Martinez reported that it costs \$17,000 a year for the Library to be open for four hours on Sundays. An average of 300 patrons use the Library each Sunday. She reported that the Literacy Project Coordinator had been in the budget previously as a contract position and was partially grant funded. Also included in the Library's proposed budget is a reclassification of Administrative Clerk to Administrative Secretary. Ms. Martinez reported that circulation numbers are stagnant; however, there has been an increase in usage of computers, the on-line catalog, and reference questions are more complicated.

Mr. King stated that the City will contribute \$1,330,000 to the Library in 2005-06, which was the same amount budgeted in 2004-05. The Library's actual funding amount will be higher because property taxes have increased.

MOTION / VOTE:

There was no Council action taken on this matter.

C. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 10:26 p.m.

ATTEST:

Susan J. Blackston
City Clerk