

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 18, 2005**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of May 18, 2005, was called to order by Mayor Beckman at 5:30 p.m.

Present: Council Members – Hansen (arrived at 5:40 p.m.), Hitchcock, Johnson, Mounce, and Mayor Beckman

Absent: Council Members – None

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

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) "Actual litigation: Government Code §54956.9; four applications; Steve Morrison v. City of Lodi; WCAB case numbers STK 0164758 1/31/99, STK 0164758 12/4/00, STK 0164757 12/24/00, and STK 0182425 1/15/01" was **pulled from the agenda pursuant to staff's request.**
- b) Actual litigation: Government Code §54956.9(a); one case; Citizens for Open Government v. City of Lodi et al., San Joaquin County Superior Court, Case No. CV026002
- c) Actual litigation: Government Code §54956.9(a); one case; People of the State of California; and the City of Lodi, California v. M & P Investments, et al.; United States District Court, Eastern District of California, Case No. CIV-S-00-2441 FCD JFM
- d) Actual litigation: Government Code §54956.9(a); one case; Hartford Accident and Indemnity Company, et al. v. City of Lodi, et al., Superior Court, County of San Francisco, Case No. 323658
- e) Conference with legal counsel – initiation of litigation: Government Code §54956.9(c); two cases
- f) Conference with legal counsel – anticipated litigation – significant exposure to litigation pursuant to subdivision (b) of Section 54956.9; one case; pursuant to Government Code §54956.9(b)(3)(A) facts, due to not being known to potential plaintiffs, shall not be disclosed
- g) Actual litigation: Government Code §54956.9(a); one case; Fireman's Fund Insurance Company v. City of Lodi, et al., United States District Court, Eastern District of California Case No. CIV-S-98-1489 FCD JFM
- h) Actual litigation: Government Code §54956.9(a); one case; City of Lodi v. Michael C. Donovan, an individual; Envision Law Group, LLP, et al., San Joaquin County Superior Court, Case No. CV025569
- i) Actual litigation: Government Code §54956.9(a); one case; Environmental Forensic Investigations, Inc. v. City of Lodi, San Joaquin County Superior Court, Case No. CV-024899
- j) Actual litigation: Government Code §54956.9(a); one case; Farr Associates v. City of Lodi, San Joaquin County Superior Court, Case No. CV-025075
- k) Actual Litigation: Government Code §54956.9(a); one case; Magellan Environmental, Inc. v. City of Lodi, San Joaquin County Superior Court, Case No. CV-024898
- l) Actual litigation: Government Code §54956.9(a); one case; James W. Baum v. USA Waste of California, Inc. et al., San Joaquin County Superior Court, Case No. CV019024

C-3 ADJOURN TO CLOSED SESSION

At 5:30 p.m., Mayor Beckman adjourned the meeting to a Closed Session to discuss the above matters.

The Closed Session adjourned at 7:06 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:09 p.m., Mayor Beckman reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Item C-2 (a) was pulled from the agenda pursuant to staff's request.

In regard to tem C-2 (b), on a 32 vote with Council Member Mounce and Mayor Pro Tempore Hitchcock dissenting, Council voted to file a motion to dismiss Citizens for Open Government v. City of Lodi et al., San Joaquin County Superior Court, Case No. CV026002 for failure to name an indispensable party.

In regard to Items C-2 (c), (d), (e), (f), (g), (h), (i), (j), (k), and (l), no reportable action was taken in closed session.

At the request of Mayor Pro Tempore Hitchcock, City Attorney Schwabauer explained that the Citizens for Open Government case challenged the certification of an Environmental Impact Report (EIR) by the City. California law requires that all parties must be named who are deemed to be "indispensable" to the case. In this case, Citizens for Open Government did not name Wal-Mart, which Mr. Schwabauer believed was an indispensable party in the case, which allowed for a motion to dismiss.

Mayor Pro Tempore Hitchcock explained that she had voted against the motion because the case had been brought forward by a group of citizens and she did not believe it was the City's position to take sides one way or another. She would have preferred that the matter proceed through the court to allow it to make findings on whether the EIR was adequate or not.

Council Member Hansen explained that he voted in favor of the motion to dismiss because it avoided litigation, which he felt was Council's responsibility.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of May 18, 2005, was called to order by Mayor Beckman at 7:09 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. INVOCATION

The invocation was given by Pastor Bill Cummins, Bear Creek Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Beckman.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 Proclamations – None

D-3 (a) St. Paul Lutheran Church's Interim Pastor, Russ Creydt, and Jean Clark, president of St. Paul Quilters, presented quilts to Major Frank Severs, Director, and Todd Hensley, Transportation Manager, both representing the Lodi Salvation Army, for the New Hope Harbor Shelter.

E. CONSENT CALENDAR

In accordance with the report and recommendation of the City Manager, Council, on motion of Mayor Pro Tempore Hitchcock, Beckman second, unanimously approved the following items hereinafter set forth:

- E-1 Claims were approved in the amount of \$2,611,323.03.
- E-2 The minutes of April 19, 2005 (Shirtsleeve Session), April 19, 2005 (Special Meeting), April 26, 2005 (Shirtsleeve Session), April 26, 2005 (Special Meeting), May 2, 2005 (Special Meeting), and May 3, 2005 (Shirtsleeve Session) were approved as written.
- E-3 Received the report of sale of surplus equipment in the amount of \$7,995.
- E-4 Approved the plans and specifications and authorized advertisement for bids for Century Boulevard Roadway Improvements, Sage Way to Lower Sacramento Road.
- E-5 Authorized advertisement for bids for polemount and padmount transformers during fiscal year 2005-06.
- E-6 Adopted Resolution No. 2005-99 approving an amendment to the agreement between the City of Lodi and the State of California for use of the Lodi National Guard Armory facility at 333 N. Washington Street.
- E-7 Adopted Resolution No. 2005-100 affirming the contract extension agreement with DB Claims Services Group, Inc. for claims administration services.
- E-8 Approved letter to the State Governor's Office and the legislators supporting the Governor's recommendation for restoration of Proposition 42 transportation funding.
- E-9 Set public hearing for June 1, 2005, for the Transit Division's fiscal years 2003-04 and 2004-05 Program of Projects.
- E-10 Set public hearing for June 15, 2005, to consider Reimbursement Agreement RA-05-01 establishing an area of benefit and reimbursable costs for public improvements for Legacy Estates, Unit No. 1, Tract No. 3260.

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Darryl Clare, Mayor of the city of Galt, invited everyone to attend the 10th Annual Galt Strawberry Festival and challenged Mayor Beckman to a strawberry pie eating contest.
- Pat Patrick, President of the Chamber of Commerce, challenged Council Members or their designees to "Trim the Fat" in a weight loss program, which would include charity pledges for each pound lost. The program would continue until the first Council meeting in January 2006. Presentation of money to charities would be announced at the annual Outstanding Citizen of the Year celebration and the Chamber annual meeting on January 26, 2006.

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

- Council Member Mounce thanked the Partnership for Families and Janet Hamilton for their assistance with the Celebration on Central event.
- Council Member Johnson suggested that, in the next six months, Council discuss the City's pension obligations and find out what options are available. He asked that the City Manager find a sum of money to set aside for the services of an outside pension consultant, if needed.

Mayor Beckman recommended that a Shirtsleeve Session be held in August to discuss this issue and whether or not staff should devote time to it.

- Council Member Hansen stated that he and City Attorney Schwabauer attended the San Joaquin Council of Governments One Voice trip to Washington D.C. in March. He reported that they met with the following representatives:

Policy Director of Transportation;
Congressman Michael Honda;
Chairman Richard Pombo of the House Resource Committee;
Director of National Planning Division of Office of Airport and Planning;
Program Director for the Department of Education;
Legislative Assistant for Congressman Dan Lungren;
Nancy Pelosi House Minority Leader;
Roy Blunt House Majority Whip;
Jennifer Southwick Assistant to Director for the Federal Highway Administration;
U.S. Fish and Wildlife service;
The Office of Faith Based and Community Initiatives;
Senator Dianne Feinstein;
Senator Barbara Boxer;
Deputy Assistant Secretary for the Office of Intergovernmental Affairs;
Deputy Director of Transportation and Infrastructure;
Chairman of the House Committee on Transportation and Infrastructure;
Congresswoman Zoe Lofgren;
Congressman Dennis Cardoza;
Roger Gorky Environmental Protection Agency;
Steny Hoyer the House Minority Whip; and
Melissa Decker Legislative Assistant to Governor Arnold Schwarzenegger.

Mr. Hansen commented that he was disturbed by a recent newspaper article that portrayed the One Voice trip as a waste of taxpayers' money. He stated that participants voiced specific issues to each representative they met with, in an attempt to lobby for federal funding and to express concern about the President's proposal to eliminate Community Development Block Grant funding. In recent years, due to One Voice efforts, the Lodi has received \$1.5 million in federal funding for the parking garage and White Slough Treatment facility.

H. COMMENTS BY THE CITY MANAGER ON NON-AGENDA ITEMS

None.

I. PUBLIC HEARINGS

- I-1 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Beckman called for the public hearing to consider objections or protests to the Cost of Repairs Report for sidewalk repairs at 633 Holly Drive and to confirm Report as submitted by the Superintendent of Streets.

George Bradley, Street Superintendent, reported that the City was made aware of a sidewalk "trip and fall" incident at 633 Holly Drive. The property owner was notified pursuant to the Streets and Highways Code and the City's Sidewalk Policy. As of April 2004, no progress had been made to correct the hazardous condition. The City then hired a contractor and forwarded the \$649 bill to the property owner. Efforts to collect for this work have been unsuccessful to date and staff is now asking for authorization to place a lien against the property.

In response to Council inquiries, Mr. Bradley explained that tree roots caused the problem with the sidewalk. It was not a City tree. He recalled that over the past four years, there have been 20 to 30 similar instances, in which property owners either corrected the matter

themselves or paid the City for the work. The last time a lien had to be placed against property for this type of situation was March 7, 1990. In October 2004, at the property owner's request, a payment plan of \$50 a month was agreed to; however, no payments or further communications were made by the property owner.

Hearing Opened to the Public

- Larry Thompson addressed Council and asked that the payment plan be reinstated. Mr. Thompson indicated that he and his wife had recently filed for bankruptcy; however, they wanted to pay for the repair to the sidewalk.

Public Portion of Hearing Closed

Discussion ensued regarding options for tax lien processes and assessment deferrals, following which the City Manager suggested the hearing be continued to allow staff an opportunity to research the matter and come back with a specific recommendation.

MOTION / VOTE:

The City Council, on motion of Mayor Beckman, Hansen second, unanimously continued the subject public hearing to the regular City Council meeting of June 1, 2005.

- I-2 Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Beckman called for the public hearing to consider the appeal from Lowe's HIW, Inc., regarding the Planning Commission's decision of April 13, 2005, pertaining to the application of design standards for Large Retail Establishments to its Lodi store.

Joseph Wood, Acting Community Development Director, reported that at the May 22, 2003, Site Plan and Architectural Review Committee (SPARC) meeting, a condition was agreed to that the outdoor storage and/or display of materials at the Lowe's store would be allowed in defined areas identified by SPARC prior to the final occupancy of the building. On March 18, 2004, a building permit was issued to Lowe's subject to the SPARC conditions regarding outdoor storage and display of merchandise. On April 7, 2004, Design Standards for Large Retail Establishments were approved by Council and went into effect on May 7. On November 1, 2004, Lowe's submitted a plan to SPARC for outdoor storage and display of merchandise, which met all City requirements; however, at the meeting, changes to the plan were presented and a motion was made to table the Lowe's plan so that it could seek a variance from the standards. To date, no plan for outdoor storage has been approved by SPARC and no request for variance has been made by Lowe's to the Planning Commission. On November 3, 2004, Lowe's opened under a temporary certificate of occupancy. On April 13, 2005, the Planning Commission voted to apply the design standards to the Lowe's store.

Mayor Beckman asked if the applicants were notified that they would have to conform to rules in effect when they came back to SPARC, or were they told they would have to comply with rules that were in effect the day the use permit was approved.

Mr. Wood replied that he could not answer the question because he had not been at the hearing.

City Attorney Schwabauer explained that Lowe's did not have a vested right because there remained a discretionary approval of SPARC with regard to the question of outdoor display. The law states that when there remains a discretionary permit, the rules that apply, are the rules in effect as of the date that their right vests and the discretionary permit is issued.

Hearing Opened to the Public

- Jennifer Renk of Steefel, Levitt & Weiss, representing Lowe's, referenced a letter to Council regarding this matter dated May 17, 2005 (filed). She stated that it is Lowe's position that the leftover approval that rests with SPARC is not discretionary. Lowe's has the right, as stated in the condition of approval, to display materials outside of its store. What remains for SPARC is the implementation of that condition. It is Lowe's position that the Design Standards for Large Retail Establishments cannot apply to this project because it has already been approved. The Design Standards for Large Retail Establishments refer to a 25,000 square foot threshold. The building permits were issued prior to the enactment of the design standards, so the guidelines cannot apply to the whole store. The outdoor display area is approximately 5,000 square feet. Ms. Renk noted that other stores in Lodi that were in operation prior to the design standards, are not required to adhere to them. She stated that if Council upholds the Planning Commission's April 13 decision it would be prohibiting Lowe's from placing merchandise in front of its store, for which the condition of approval allowed. The design guidelines require a minimum eight-foot buffer in front of the store. If Lowe's had known the design guidelines would be applied, it would have designed the store differently.

Mr. Schwabauer pointed out that when Lowe's came to SPARC for approval it brought a display plan that complied with the Design Standards for Large Retail Establishments, which implied it understood that the standards applied. He noted that it appears there is more than the eight-foot buffer issue, as Lowe's indicates that it wants to display storage sheds in the parking lot as well.

Ms. Renk responded that, when an applicant discovers the plan is too prohibitive and does not meet its needs, it has the option to "go back to the drawing board."

- Matt Siminich District Manager for Lowe's, distributed a packet of materials (filed) and answered questions related to the outdoor display area.

Mr. Wood reminded Council that the issue under consideration is whether the Design Standards for Large Retail Establishments apply. The issue regarding the eight foot sidewalk buffer could be addressed through a variance, should Lowe's make that request.

- Dennis Haugan, Chair of the Planning Commission, stated that he had tried to convince the Commission on April 13 to send the matter back to SPARC so that it could proceed and a variance be considered later if requested. Mr. Haugan asked Council to take that action this evening.
- Pat Patrick, President of the Chamber of Commerce, believed that the spirit of the Design Standards for Large Retail Establishments related to outdoor merchandizing was not to limit a business' ability to meet consumer demand for goods and services. It was meant to prevent unsightly parking displays. He stated that, because of the parking lot landscape and vehicles, it is not possible to see anything from the street less than ten feet in height in front of the store. He supported the store being allowed to display storage sheds outside. He asked Council to refer the matter back to SPARC.

Public Portion of Hearing Closed

Mayor Pro Tempore Hitchcock asked why the plan changed after it was presented to SPARC.

Mr. Siminich understood that there had been a disagreement on certain issues between the applicant and former Community Development Director Conradt Bartlam.

Mr. Woods reported that Mr. Bartlam had relayed to him that there had been a corporate directive from Lowe's to discontinue outdoor displays due to high incidence of theft; however, it was later rescinded because of a decrease in sales. Mr. Siminich responded that this was not correct.

MOTION:

Council Member Mounce made a motion, Beckman second, to adopt Resolution No. 2005-101 granting the appeal of Lowe's HIW, Inc., thereby, rescinding the Planning Commission's decision of April 13, 2005, that the design standards for Large Retail Establishments apply to the design and review of all outdoor storage and display of merchandise at the Lowe's store in Lodi, and referred the matter to the Site Plan and Architectural Review Committee for review.

DISCUSSION:

Mr. Woods referred to SPARC minutes of May 22, 2003, at which Mr. Manion stated that the store was contemplating not having a large outdoor display because of loss prevention. He was aware of the Americans with Disabilities Act requirements and stated that he would keep the sidewalk clear. He had suggested that language read that all outdoor storage and display of building materials and equipment be prohibited and that manufactured products could be displayed in front of the store on occasion at the store manager's desire.

In reply to Council Member Johnson, Mr. Siminich reported that when the store opened it had outdoor sheds displayed. He acknowledged that at certain times the store would like to highlight merchandise and display seasonal items in the parking lot.

VOTE:

The above motion carried by the following vote:

Ayes: Council Members – Hansen, Johnson, Mounce, and Mayor Beckman

Noes: Council Members – Hitchcock

Absent: Council Members – None

J. COMMUNICATIONS

J-1 On recommendation of the City's contract administrator and Human Resources staff, the City Council, on motion of Council Member Hansen, Beckman second, unanimously rejected the following claims:

- a) Ashley Rose, date of loss 2/18/05
- b) Britney Rose, date of loss 2/18/05
- c) Pete Rose, date of loss 2/18/05
- d) Pete Rose, Jr., date of loss 2/18/05

J-2 Appointments – None

J-3 Miscellaneous – None

K. REGULAR CALENDAR

K-1 "Adopt resolution authorizing the City Manager to execute Federal Transit Administration funding agreement between the City of Lodi and the City of Galt for Federal fiscal years 2003-04 and 2004-05"

Public Works Director Prima reported that it had been necessary to coordinate with the city of Galt to determine an equitable allocation of Federal Transit Administration funding. An agreement was reached, in which Lodi will receive 84.75% of the funding, less Galt's deferred share from the prior, for a total of approximately \$1.9 million for two years.

In answer to Council inquiries, Mr. Prima explained that staff approached the matter by first determining what Lodi would have received if Galt was not part of its urbanized area. Other agencies were reviewed and it appeared that when population increased the number per capita decreased. Last year, Lodi had received \$850,000 under this program.

MOTION/ VOTE:

The City Council, on motion of Council Member Hansen, Beckman second, unanimously adopted Resolution No. 2005-102 authorizing the City Manager to execute Federal Transit Administration funding agreement between the City of Lodi and the city of Galt for Federal fiscal years 2003-04 and 2004-05.

RECESS

At 9:21 p.m., Mayor Beckman called for a recess, and the City Council meeting reconvened at 9:33 p.m.

K. REGULAR CALENDAR (Continued)

K-2 "Continued presentation of the City Manager's Recommended Draft Fiscal Year 2005-06 Budget and Financial Plan"

Community Center Director Silvestre reported that the Center's budget is \$1.3 million. A 14.5% reduction in operating costs was made, which amounted to \$219,000. The majority of cuts were from its maintenance budget. The Center has six divisions staffed by nine full-time and 24 part-time employees. There is one vacancy in the Arts and Culture Division. Accomplishments in 2004-05 included: 1) facility repairs and signage, 2) streamlining internal operations, 3) continued growth of programs and building community partnerships, 4) on-site catering contract, and 5) handled 458 events and 53 performances. 2005-06 goals include: 1) maintaining the quality and number of existing programs and services, 2) increasing utilization of Hutchins Street Square, and 3) a new senior information services grant from the State Department of Aging.

In answer to Council inquiries, Ms. Silvestre reported that the Square is running out of class space. Currently, staff is working with Electric Utility and a third-party contractor to audit all energy usage. The equipment is working properly; however, it is difficult in a large facility to keep the temperature comfortable for everyone. She stated that a tracking system has been developed that will show a dollar value associated with City-related events at the Square. A reorganization of staff has occurred and an independent contractor has been moved to part-time status. Hutchins Street Square Foundation contributes toward the salary of a part-time employee.

Joseph Wood, Acting Community Development Director, reported that the Department's budget is \$1.9 million. Community Development is transitioning to a new funding source and becoming more self-sufficient. There are 17 positions in the Department and one Associate Planner position will remain vacant. Accomplishments in 2004-05 include: 1) adoption of 2003-09 Housing Element, 2) development of Design Standards for Large Retail Establishments. 3) the Building Division began monthly meetings with the construction industry, and 4) the Community Improvement Division expanded outreach programs. Goals for 2005-06 will include: 1) transitioning from General Fund based activity to the Special Revenue Fund, 2) improve permit and plan review processes and the availability of information to the public, 3) develop more effective remedies for Code Enforcement, 4) begin the General Plan update, and 5) process the Westside annexations.

In reply to Mayor Pro Tempore Hitchcock, Mr. Wood stated that a reclassification of Administrative Clerk to Permit Technician was made.

Deputy City Manager Keeter added that the Administrative Clerk position was reclassified to a Permit Technician in last year's budget; however, the position was never filled. She reported that 15 reclassifications are in the proposed 2005-06 budget for positions in the Police Department, Electric Utility, Information Services Division, and the Library.

Jerry Herzick, Building Official, stated that the plan check process would be improved to decrease the turnaround time and he expected the Permit Technician would be of assistance toward this goal.

Council Member Hansen asked that a report be made to the Council every six months regarding improvements to the permit and plan review processes.

In response to Council Member Mounce, Mr. Wood stated that Community Development Block Grant funds are being used to improve Pine Street from Cherokee Lane to the downtown area.

In reply to Mayor Pro Tempore Hitchcock, Finance Director Krueger reported that \$700,000 was budgeted in Capital Outlay for one year's work on the General Plan update.

City Clerk Blackston reported that the City Clerk's Office is responsible for the accounts of Election Administration, City Clerk Operations & Management, City Council, and the Protocol Account, with a total budget of \$511,000. There are four full-time positions. Budget reductions totaled \$28,000 and included a decrease in overtime, training, Council's business and conference expense, the protocol account, and the elimination of business expense in the Clerk's Office. 2004-05 accomplishments included: 1) progress in electronic records management system, which currently allows for over 155,000 pages of public records to be accessed on-line, 2) 5,218 pages of electronic City Council meeting packets were added to the system, 3) 500 pages of comprehensive City Council minutes were composed, and 4) the November 2, 2004, General Municipal Election was administered, which included Measure R, the Large Scale Retail Initiative. The emphasis in 2005-06 will be on records management, creation of a records retention policy, and codification of the Lodi Municipal Code in-house.

In response to Council Member Johnson, Ms. Blackston explained that legal notice publication requirements are set by various statutes. There are very few newspaper publications done by the Clerk's Office that could be decreased or eliminated. Regulations are increasing public notice requirements such as to post information on the Internet in addition to hard copy form.

In reply to Mayor Pro Tempore Hitchcock, Deputy City Manager Keeter explained that five of the 15 reclassifications in the proposed 2005-06 City budget were to convert contract positions to full-time permanent positions. She stated that the Police Volunteer Supervisor's responsibilities have expanded and it is proposed that her title be changed to Special Services Manager; however, there will be no increase in salary.

Mayor Pro Tempore Hitchcock anticipated that, at some point in the future, a salary study would be done on the positions that are reclassified and it will likely show that the new positions should be in a higher salary range. She did not see the point in changing job titles without considering salaries.

Ms. Blackston explained that, during the early stages of budget preparation this year, she had been informed by Human Resources staff that the classification study process was frozen and consequently it was not pursued. She had hoped to have a classification study done for two Deputy City Clerk positions in her office, i.e. to consider reclassification to Assistant City Clerk and Records Manager. She noted one Deputy City Clerk fills in for the City Clerk during absences and is well versed in all functions of the office. A second

Deputy City Clerk devotes 90% of her time toward records management functions. In answer to Ms. Hitchcock, Ms. Blackston believed that a salary survey for the positions of Assistant City Clerk and Records Manager would have a higher salary range than for the position of Deputy City Clerk.

Council Member Hansen felt that if job duties were significantly expanded, then appropriate compensation should be considered in addition to title changes.

City Manager King stated that the purpose of reclassifying the 15 positions in the 2005-06 budget was to do some "cleanup." Mr. King explained that he had been approached by employees asking for consideration. They felt there was little distinction between their class of employment and a class senior to theirs, and that they were doing the same amount of work. He stated that they are positions where employees had indicated the decision had already been made or had been presented to the Council previously. He cautioned Council against adding any additional reclassifications to the budget at this time.

Council Member Johnson agreed with Ms. Hitchcock's and Mr. Hansen's earlier statements and commented that, in his observation over the years, to suggest that a reclassification be made to change a title without a salary increase is a disingenuous practice. He asked whether a Deputy City Clerk would be overqualified for the position of Records Manager.

Ms. Blackston replied that records management is a specialized function of City Clerks Offices and is often a separate career field endeavor. A person with the skill set necessary for the general position of Deputy City Clerk would not be overqualified to fill a Records Manager position.

City Manager King reported that the City Manager's Office budget is \$585,217 and has four full-time employees. Emphasis in 2005-06 will include: 1) intensifying economic development efforts, 2) develop a master plan for use of public facilities and strategy for capital projects, 3) assess long-term financial plan, 4) implement the City Manager's Work Plan, and 5) encourage community participation in development of the General Plan.

Mr. King noted that, under the category of community promotions, \$100,000 was placed in a special line item to account for overtime, supplies, etc. related to City assistance in supporting special events. The \$30,000 lease for outdoor billboards will be handled by another organization and has not been carried forward in the City's 2005-06 budget. Contributions to the Oooh Ahhh Festival, the Chamber of Commerce, Lodi Conference and Visitors Bureau, the Downtown Lodi Business Partnership, and Arts Commission (for grants) will remain the same as in 2004-05.

Discussion ensued about the Chamber of Commerce's announcement last year that it would gradually "wean itself" completely off City funds. Mayor Beckman believed that the Chamber would be using some resources to fill responsibilities related to the City's lack of an Economic Development Coordinator position. Mayor Pro Tempore Hitchcock stated that if the Chamber is planning on using City funds for this purpose, the matter should come before Council.

City Attorney Schwabauer reported that the City Attorney's Office budget is \$395,820, which is an 8% reduction from last year. It was accomplished through reducing library material, conference expenses, and materials and supplies. He reviewed the following 2004-05 accomplishments:

- Settled the Busy Bee case in the central plume
- Reached interim settlements in the northern and south central western plumes
- Settled the Lehman Brothers claim against the City
- Resolved the Stockton sphere of influence litigation
- Hired a Deputy City Attorney
- Resolved multiple "big box" large retail related disputes

- Drafted the skate park ordinance
- Established new Water and Wastewater Utility rate increase protocol

Mr. Schwabauer stated that 2005-06 goals include: 1) resolving pending PCE/TCE litigation and prosecuting the legal malpractice action, 2) draft ordinances for claims, nuisance abatement, and massage establishments, and 3) partner with Community Development Department to begin using City Attorney's Office more actively in resolving Code Enforcement disputes.

City Manager King noted that the City Attorney's Office inadvertently did not address continuing education. This will be resolved by taking money out of another department's budget to ensure adequate funds are available in the City Attorney's Office for this purpose.

Kirk Evans, Risk Manager, reported that the budget for the Human Resources Division is \$605,554 and it has four full-time positions and one part-time employee. Accomplishments in 2004-05 included: 1) completed 33 recruitments, 2) administered 67 general liability and 43 Workers Compensation claims, 3) processed 1,400 certificates of insurance, and 4) completed Maintenance & Operators, Police, and Dispatch negotiations. Emphasis in 2005-06 will be to coordinate negotiations for International Brotherhood of Electrical Workers, Mid-Management, Police Mid-Management, General Services, Maintenance & Operators, and Firefighters.

Jerry Moore, Network Administrator, reported that the Information Systems Division (ISD) budget is just under \$1 million, which represents a 20% reduction from its 2004-05 budget. There are nine authorized positions. Accomplishments in 2004-05 included: 1) implementing false alarm billing system for the Police Department and new work order system for Electric Utility, 2) secured a refund for telephone overcharges and renegotiated the long-distance telephone contract, 3) handled 3,400 computer support calls, and 4) relocated ISD to the Carnegie Forum basement. Goals in 2005-06 will include: 1) implementation of a pet tracking system for the Animal Shelter, fee billing system for the Fire Department, and requisition and voucher payment system for the Finance Department, 2) improve financial reporting systems and un-bundle rates for Electric Utility, 3) implement tracking systems for complaints and economic development contacts, and 4) analyze cell phone plans.

In reply to Mayor Pro Tempore Hitchcock, Mr. King explained that in 2004-05 there were nine authorized positions in ISD and of them two were vacant. In addition to the two vacancies, two positions were filled by contract employees.

Deputy City Manager Keeter further explained that four positions are being reclassified to IS Analysts. One contract position is being converted to a full-time permanent position. The net results of the changes are that ISD will have eight employees and one vacancy for a total of nine authorized positions.

In answer to Council inquiries, Mr. Moore stated that he would provide Council with an explanation of what rental equipment had cost \$50,000 annually for the past two years and a breakdown of the \$100,000 in sublet service contracts.

Finance Director Krueger reported that the Finance Department has a budget of \$2,246,000, and has 26 full-time positions and one part-time employee. There are currently five vacancies in the Department. Budget reductions totaled \$57,000, which was accomplished by cutting training, microfilming costs, and overtime. Accomplishments in 2004-05 included preparation of the budget, changing the financial reporting format, and assistance in forming the Lodi Tourism Business Improvement District. Goals for 2005-06 will include: 1) evaluation of the cost allocation plan, 2) completing a long-term financial plan, 3) reviewing fees and charges with an emphasis on utility rates, and 4) implementing a new purchasing policy.

Mr. Krueger reported that the Non-Departmental budget was \$5,356,630 and includes special payments, property tax administration costs, telephone charges, citywide utilities and postage, and payments to the citywide auditor and sales tax consultant. Mr. Krueger stated that property tax is allocated 50% to the General Fund, 30% for debt service, and 20% to the Library. Debt service is \$1,700,000 and the payment to the Library is \$1,329,655. In addition, there is a \$300,000 transfer from the General Fund to the Self Insurance Internal Service Fund. A \$350,000 transfer is made to Community Development. Telephone charges are \$153,000, citywide utilities are \$915,000, and citywide postage is \$246,000.

MOTION / VOTE:

There was no Council action taken on this matter.

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Mayor Pro Tempore Hitchcock, Beckman second, unanimously voted to continue with the remainder of the meeting following the 11:00 p.m. hour.

K. REGULAR CALENDAR (Continued)

K-3 "Designation of a Council Member to participate in the selection process for a new Community Development Director"

City Manager King asked Council to designate a Member to serve on the interview panel for the Community Development Director recruitment.

Mayor Pro Tempore Hitchcock and Council Members Johnson and Mounce expressed an interest in serving on the interview panel.

By a flip of a coin, Council Member Johnson was chosen to participate in the selection process for the new Community Development Director.

L. ORDINANCES

None.

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 12:16 a.m., Thursday, May 19, 2005.

ATTEST:

Susan J. Blackston
City Clerk