

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 2, 2007**

C-1 CALL TO ORDER / ROLL CALL

The City Council Closed Session meeting of May 2, 2007, was called to order by Mayor Johnson at 5:30 p.m.

Present: Council Members – Hansen, Hitchcock, Katzakian [excluding C-2 (c)], Mounce, and Mayor Johnson

Absent: Council Members – None

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

C-2 ANNOUNCEMENT OF CLOSED SESSION

- a) Conference with Blair King, City Manager, and Jim Krueger, Deputy City Manager (Acting Labor Negotiators), Regarding Unrepresented Mid-Management and Executive Management Groups and Police Mid-Management Pursuant to Government Code §54957.6
- b) Actual Litigation: Government Code §54956.9(a); One Case; County of San Joaquin v. City of Stockton et al., San Joaquin County Superior Court, Case No. CV029651
- c) 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

C-3 ADJOURN TO CLOSED SESSION

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

The Closed Session adjourned at 7:05 p.m.

C-4 RETURN TO OPEN SESSION / DISCLOSURE OF ACTION

At 7:10 p.m., Mayor Johnson reconvened the City Council meeting, and City Attorney Schwabauer disclosed the following actions.

Items C-2 (a) and C-2 (b) were discussion only.

In regard to Item C-2 (c), settlement authority was given.

A. CALL TO ORDER / ROLL CALL

The Regular City Council meeting of May 2, 2007, was called to order by Mayor Johnson at 7:10 p.m.

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

Absent: Council Members – None

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

B. INVOCATION

The invocation was given by Pastor Rod Suess, Vinewood Community Church.

C. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was led by Mayor Johnson.

D. AWARDS / PROCLAMATIONS / PRESENTATIONS

D-1 Awards – None

D-2 (a) Mayor Johnson presented a proclamation to Captain David Main proclaiming the month of May 2007 as “Peace Officer Memorial Month” in the City of Lodi.

D-2 (b) Mayor Johnson presented a proclamation to Bonney Schnabel, Public Works Administrative Clerk, proclaiming the week of May 20 – 26, 2007, as “National Public Works Week” in the City of Lodi.

D-2 (c) Mayor Johnson presented a proclamation to Mark Chandler with the Lodi-Woodbridge Winegrape Commission proclaiming the month of May 2007 as “Zinfandel Month” in the City of Lodi.

D-3 Presentations – None

E. CONSENT CALENDAR

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

E-1 Claims were approved in the amount of \$2,821,330.28.

E-2 The minutes of April 4, 2007 (Regular Meeting), April 10, 2007 (Shirtsleeve Session), April 10, 2007 (Special Meeting), April 17, 2007 (Shirtsleeve Session), April 17, 2007 (Special Joint Meeting w/Arts Commission), and April 24, 2007 (Shirtsleeve Session) were approved as written.

E-3 Approved the specifications and authorized advertisement for bids to procure 15kV class indoor switchgear for the Killelea Substation Rehabilitation Project.

E-4 Approved the request for proposals for services to provide the routing and siting evaluation, alternative and right-of-way analysis, issue identification, cost/benefit studies, and other related recommendations for a potential transmission line interconnection to White Slough Water Pollution Control Facility.

E-5 Adopted Resolution No. 2007-73 approving the purchase of 14 Delta Force Level IIIA ballistic helmets from Brandon Enterprises for the Lodi Police Department Special Weapons and Tactics Team in the amount of \$5,810.

E-6 Adopted Resolution No. 2007-74 accepting the award from the Department of Homeland Security for the purchase of radios for the Lodi Police Department’s Special Weapons and Tactics Team and appropriating \$60,000 for purchase of radios.

E-7 Adopted Resolution No. 2007-75 awarding the contract for Elm Street Overlay 2007 to DSS Engineering Company, of Stockton, in the amount of \$374,833.

E-8 Adopted Resolution No. 2007-76 approving the agreement between the City of Lodi and Spare Time, Inc., dba Twin Arbor Athletic Club, for use of pools at Twin Arbor Athletic Club facilities that will serve the Summer Swim League Program, which will run for the period of May 29, 2007 to July 26, 2007.

E-9 “Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Wenell Mattheis Bowe for Finance Department Relocation (\$82,000)” was **removed from the Consent Calendar and discussed and acted upon following approval of the Consent Calendar.**

- E-10 Approved letters to State Water Resources Control Board in support of Mokelumne River water rights applications for North San Joaquin Water Conservation District and San Joaquin County.
- E-11 Set public hearing for May 16, 2007, to consider introduction of an ordinance amending Chapter 13.20, "Electrical Service," by amending §13.20.210, Schedule EM (Mobile Home Park Service) to become effective July 1, 2007.
- E-12 Set public hearing for May 16, 2007, to consider introduction of an ordinance amending Chapter 13.20, "Electrical Service," by replacing §13.20.175, Schedule MCA (Market Cost Adjustment), with Schedule ECA (Energy Cost Adjustment).
- E-13 Set public hearing for June 6, 2007, to consider adopting resolution adjusting Consumer Price Index-based water and wastewater rates.

ACTION ON ITEM REMOVED FROM THE CONSENT CALENDAR

- E-9 "Adopt Resolution Authorizing the City Manager to Execute a Professional Services Agreement with Wenell Mattheis Bowe for Finance Department Relocation (\$82,000)"

This item was pulled by Mayor Johnson.

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Hansen second, adopted Resolution No. 2007-77 authorizing the City Manager to execute a professional services agreement with Wenell Mattheis Bowe for Finance Department relocation in the amount of \$82,000. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mounce

Noes: Council Members – Mayor Johnson

Absent: Council Members – None

F. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

- Daniel Arbuckle with Lodi Bicycle spoke in favor of constructing a bicycle track in the city, possibly next to Salas Park. City Manager King stated a staff member from the Parks and Recreation Department will contact the speaker.

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

- Mayor Pro Tempore Mounce reported on her attendance at the San Joaquin Council of Governments One Voice conference in Washington DC and her meetings with Congressman McNerney and Congressman Cardoza.
- Council Member Hansen reported on his attendance at the Northern California Power Agency conference in Washington DC and his meetings with members of the Congress, Senate, Department of Energy, and Federal Energy Regulation Commission. He also mentioned the E-Waste Recycling event on May 19th at the Grape Bowl and congratulated the Lodi Unified School District on renovating the old Aiken School site.
- Mayor Johnson reported on his attendance at the meeting regarding commuter rail service along the Highway 99 corridor.

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

- City Manager King provided an overview of the citizen satisfaction survey and the timeline associated with the same. Mr. King also stated staff has issued the request for proposals for the Guild property site. In response to Council Member Hitchcock, Mr. King stated the open period will last approximately a month and a half and staff will research possibilities of listing with the Multiple Listing Service.

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 Johnson called for the continued public hearing to consider adoption of resolution establishing Public Works Department Engineering Fees for various development-related engineering services; establishing standard unit price schedule for calculation of engineering fees and improvement security; and establishing requirement for warranty security for public improvements.

Public Works Director Prima provided an overview of the proposed engineering fees, specifically discussing the fee schedule, plan check fees, percentage cost of improvements, the standard schedule of unit prices to process developments, reimbursement agreements for developers, partial acceptance for developers, and collecting costs of service for new services that are not currently accounted for.

Hearing Opened to the Public

None

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Council Member Hitchcock, Mounce second, unanimously adopted Resolution No. 2007-78 establishing Public Works Department engineering fees for various development-related engineering services; establishing standard unit price schedule for calculation of engineering fees and improvement security; and establishing requirement for warranty security for public improvements.

- 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 Johnson called for the continued public hearing to consider adoption of resolution setting Storm Drainage Permit Compliance Inspection fees for wet season construction inspections.

Public Works Director Prima provided an overview of the Storm Drainage Permit Compliance Inspection fees, specifically discussing State mandates for storm drain permits, the inspection component of the program, and the use of consultants for inspections in the wet season.

In response to Council Member Hansen, Mr. Prima stated the fee is recommended by the consultant firm and includes an administration cost.

In response to Council Member Hitchcock, Mr. Prima stated staff will return to Council for the approval of the contract for inspections. He also stated that the 25% is for administrative costs.

In response to Mayor Johnson, Mr. Prima stated the State does not receive a separate portion of the fee, but it does receive approximately \$11,000 for the storm water permit. Mr. Prima stated the fee will be indexed in July.

In response to Council Member Hansen, Mr. Prima stated the inspectors will speak with violators, write a citation, and follow up. He stated they are hopeful that this process will be sufficient to obtain compliance before fees are assessed.

In response to Mayor Pro Tempore Mounce, Mr. Prima stated staff could process a couple of hundred permits when things are busy. He stated the number is also dependent upon the number of building permits issued.

Hearing Opened to the Public

None

Public Portion of Hearing Closed

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Mounce second, unanimously adopted Resolution No. 2007-79 setting Storm Drainage Permit Compliance Inspection fees for wet season construction inspections.

J. COMMUNICATIONS

J-1 Claims Filed Against the City of Lodi – None

J-2 The following postings/appointments were made:

- a) The City Council, on motion of Mayor Pro Tempore Mounce, Johnson second, unanimously made the following appointments and directed the City Clerk to post for the one remaining vacancy on the Lodi Improvement Committee:

APPOINTMENTS

Lodi Improvement Committee

Joseph Spinelli	Term to expire March 1, 2010
Sunil Yadav	Term to expire March 1, 2010
Stephen Jarrett	Term to expire March 1, 2010
Ron Lesan	Term to expire March 1, 2008

POSTING

Lodi Improvement Committee

One Vacancy	Term to expire March 1, 2008
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J-3 Miscellaneous – None

K. REGULAR CALENDAR

K-1 “Consideration of Water Meter Retrofit Policy”

Public Works Director Prima provided a presentation regarding the Water Meter Retrofit Policy. Specific topics of discussion included historical background, Shirtsleeve follow-ups, water use, rate structure, rates and conservation, meter costs, accelerated program, goal of conversion, basic choices, feasibility of choices, policy issues, and staff recommendation for accelerated program.

In response to Council Member Hitchcock, Mr. Prima stated Manteca is metered.

Discussion ensued between Council Member Katzakian and Mr. Prima regarding costs based on readings in 2010, the 1980's time period for collecting fees for meters, and the determination of a metered home based on the State's assessment.

In response to Council Member Hitchcock, Mr. Prima provided an explanation of a tiered rate structure, specifically discussing peak demands, demand on wells, usage in the early and late portions of the day, capacity to meet demands, capital costs for facilities, the need for a cost study, residential usage, and the options available with various programs.

In response to Council Member Hansen, Mr. Prima stated there is an opportunity to control usage with meters.

Discussion ensued between Mayor Pro Tempore Mounce and Mr. Prima regarding the line item for water infrastructure on the electrical bill, the cost of installing water meters, previous cost studies for water, upgrades to facilities, potential for rate reduction, rate studies, and infrastructure fees paying pipelines, wells, and line replacements.

In response to Council Member Hitchcock, City Manager King stated each owner would pay for their own meter. He stated the City would provide an opportunity for self install via a cut sheet and waive the installation fee. Mr. King stated an additional option could be a lump sum payment to the contractor.

In response to Council Member Hansen, Mr. Prima stated legally they can use Community Development Block Grant (CDBG) funding as set aside money to help low-income homeowners install water meters, but they would need to work out the specific details. Mr. Prima stated they may also have the option to spread out the costs over three years; although, they will have to be cautious about cash flow and the timeline associated with a two-rate structure.

In response to Mayor Pro Tempore Mounce, Mr. Prima stated they probably have one to two thousand people on the SHARE program from water and electric. City Manager King stated the CDBG component may be reserved for hardship cases only and they will look into other safety relief programs for hardship cases.

In response to Mayor Johnson, Mr. Prima stated the \$1.1 million figure can be absorbed by the current budget funds.

In response to Council Member Hitchcock, Mr. Prima stated he was not sure about utilizing the home funds component of the CDBG monies. Discussion ensued between Council Member Hitchcock, Mayor Johnson, and City Manager King regarding funding options.

City Manager King provided an overview regarding the option for everyone to pay for their own meter and the option of everyone paying a fee and sharing services from the collective pot. Mr. King stated the City can take until 2025, in which case rates may go up over time; although, this would prolong the time for a divided rate structure.

PUBLIC COMMENTS:

- Alicia Irvine spoke in favor of the recommended accelerated water meter installation program based on a proposal where everyone pays for their own meter.

MOTION / VOTE:

The City Council, on motion of Council Member Hansen, Hitchcock second, approved staff's recommendation and timeline for the accelerated Water Meter Retrofit Policy by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson
Noes: Council Members – Mounce
Absent: Council Members – None

RECESS

At 9:20 p.m., Mayor Johnson called for a recess, and the City Council meeting reconvened at 9:31 p.m.

K. REGULAR CALENDAR (Continued)

NOTE: Item K-7 was heard out of order.

K-7 "Approve Lodi Tourism Business Improvement District (LTBID) 2007 Annual Report, as submitted by the LTBID Board of Directors"

City Manager King provided a brief introduction of the subject matter.

Nancy Beckman, Executive Director of the Lodi Visitors and Conference Bureau, provided an overview the previous and upcoming year plans for the Lodi Conference and Visitors Bureau. Specific topics of discussion included proposed programmatic changes, marketing and promotion activities in the leisure and group markets, public relations, customer service and hospitality, communications, and the annual budget.

In response to Mayor Johnson, Mrs. Beckman stated approximately 30 to 35 wineries out of 65 are doing some sort of wine tasting and contributing to approximately 200,000 visitors per year.

In response to Council Member Hansen, Mrs. Beckman stated she will need to speak with the Lodi Tourism Business Improvement District (LTBID) attorney regarding any amendments to the boundaries to include Flag City hotels and the process associated with the same.

Discussion ensued between Mayor Johnson, City Manager King, and Mrs. Beckman regarding increasing the Transient Occupancy Tax (TOT), the 6% amount which goes to the General Fund, the 3% fee which generates revenue for the LTBID, other city and county averages regarding the same, business model based on number of beds, and public funding as the standard in industry.

In response to Mayor Pro Tempore Mounce, Mrs. Beckman stated last year's funding was a bit more because the organization reduced its budget for the upcoming year as requested by Council previously.

In response to Council Member Hansen, City Manager King stated the permit had been pulled for the Hampton Inn.

PUBLIC COMMENTS:

- Sunil Yadav, LTBID Board Member, spoke in opposition to any proposed TOT increase, stating it would be a burden to middle-class customers and hotel operators.

MOTION / VOTE:

The City Council, on motion of Mayor Johnson, Mounce second, unanimously approved the LTBID 2007 Annual Report, as submitted by the LTBID Board of Directors.

K-2 "Receive Progress Report on City of Lodi General Plan Update"

Planning Manager Peter Pirnejad provided a progress report regarding the City's General Plan update. Mr. Pirnejad specifically discussed the two-year timeline for completion, draft working papers, preparing a newsletter and survey, stakeholder report and process, community organization involvement, data collection for analysis, and the potential for delays due to the need for additional public participation.

In response to Council Member Hansen, Mr. Pirnejad stated that, while Mr. Bhatia is proactive, the only amendment he has seen to date is for actual cost only due to a widening of the scope of services.

In response to Council Member Hitchcock, Mr. Pirnejad stated the public workshop will be held sometime in mid to late June.

MOTION / VOTE:

There was no Council action necessary on this matter.

- K-3 "Consideration of Adjustments to the City Manager and City Attorney Employment Agreements"

Mayor Johnson provided a brief history of the item as agendaized previously. Discussion ensued between the City Council regarding proposed adjustments to the City Manager and City Attorney salaries. Specific topics of discussion included standardized cost of living adjustments, previously declined increases, base salary averages, Public Employees Retirement System amounts, differential and spreads in comparison to department head positions, comparisons with neighboring cities, and the potential for future salary increases.

MOTION #1 / VOTE:

The City Council, on motion of Mayor Johnson, Hansen second, adopted Resolution No. 2007-80 approving a salary increase for the City Manager of \$160,000 per year. The motion carried by the following vote:

Ayes: Council Members – Hansen, Hitchcock, Katzakian, and Mayor Johnson

Noes: Council Members – Mounce

Absent: Council Members – None

MOTION #2 / VOTE:

The City Council, on motion of Mayor Johnson, Mounce second, unanimously adopted Resolution No. 2007-81 approving a salary increase for the City Attorney of \$140,000 per year.

- K-4 "Adopt Resolution Certifying the Canvass of Election Results and Determining Results of the Election for Community Facilities District 2007-1 (Public Services) and Introduce Ordinance Levying and Apportioning the Special Tax in Community Facilities District No. 2007-1 (Public Services)"

MOTION #1 / VOTE:

The City Council, on motion of Mayor Pro Tempore Mounce, Hansen second, unanimously adopted Resolution No. 2007-82 declaring the results of the special election held on April 11, 2007, in Community Facilities District No. 2007-1 (Public Services).

MOTION #2 / VOTE:

The City Council, on motion of Mayor Pro Tempore Mounce, Hansen second, unanimously introduced Ordinance No. 1797 levying and apportioning the special tax in Community Facilities District No. 2007-1 (Public Services).

VOTE TO CONTINUE WITH THE REMAINDER OF THE MEETING

The City Council, on motion of Mayor Pro Tempore Mounce, Hansen second, unanimously voted to not continue with the remainder of the meeting following the 11:00 p.m. hour.

K. REGULAR CALENDAR (Continued)

- K-5 "Overview of 2007-08 Operating and Capital Outlay Budget and Set Public Hearing for May 30, 2007, to Review and Receive Comments Regarding City of Lodi 2007-08 Operating and Capital Outlay Budget" was **pulled from the agenda pursuant to the above vote.**

- K-6 "Consideration of the Status of the Animal Shelter Task Force" was **pulled from the agenda pursuant to the above vote.**

- K-8 "Adopt Resolution Approving Reclassification and Salary Adjustment for City Engineer and Equity Pay Adjustment for Public Works Director" was **pulled from the agenda pursuant to the above vote.**

Continued May 2, 2007

K-9 "Adopt Resolution Approving Control Point Adjustments for Executive Management and Cost of Living Adjustments for Unrepresented Mid-Managers" was ***pulled from the agenda pursuant to the above vote.***

L. ORDINANCES

None

M. ADJOURNMENT

There being no further business to come before the City Council, the meeting was adjourned at 11:10 p.m.

ATTEST:

Randi Johl
City Clerk