

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, JANUARY 6, 2010**

- C-1 Call to Order / Roll Call - N/A
- C-2 Announcement of Closed Session - N/A
- C-3 Adjourn to Closed Session - N/A
- C-4 Return to Open Session / Disclosure of Action - N/A
- A. Call to Order / Roll call

The Regular City Council meeting of January 6, 2010, was called to order by Mayor Katzakian at 7:00 p.m.

Present: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Absent: Mayor Pro Tempore Hitchcock

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

B. Pledge of Allegiance

C. Presentations

C-1 Awards - None

C-2 Proclamations

a) Anniversary of the Boosters of Boys/Girls Sports Organization

Mayor Katzakian presented a proclamation to BOBS Past President Ted Coffee in celebration of the 50th anniversary of the BOBS organization.

C-3 Presentations - None

D. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Mounce made a motion, second by Council Member Hansen, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hitchcock

D-1 Receive Register of Claims in the Amount of \$6,182,275.67 (FIN)

Claims were approved in the amount of \$6,182,275.67.

D-2 Approve Minutes (CLK)

The minutes of December 1, 2009 (Shirtsleeve Session), December 15, 2009 (Shirtsleeve Session), December 16, 2009 (Special Meeting), December 16, 2009 (Regular Meeting), December 22, 2009 (Shirtsleeve Session), and December 29, 2009 (Shirtsleeve Session) were approved as written.

D-3 Accept Improvements under Contract for Building Demolition at 17 East Elm Street Project (PW)

Accepted the improvements under contract for Building Demolition at 17 East Elm Street Project.

D-4 Accept Improvements under Contract for DeBenedetti Park/G Basin Rough Grading Project (PW)

Accepted the improvements under contract for DeBenedetti Park/G Basin Rough Grading Project.

D-5 Approve Plans and Specifications and Authorize Advertisement for Bids for DeBenedetti Park - Phase I Improvements, 2350 South Lower Sacramento Road (PW)

This item was pulled for further discussion by Council Member Hansen.

In response to Council Member Hansen, Public Works Director Wally Sandelin stated the no mow turf will be located in the basin portion of the park and a good example of the same is the interchange at I-5 and Laguna Boulevard in Elk Grove.

In response to Council Member Hansen, Parks and Recreation Director Jim Rodems stated the park may open a few months prior to the Spring 2011 date depending upon weather conditions.

Council Member Hansen made a motion, second by Council Member Johnson, to approve plans and specifications and authorize advertisement for bids for DeBenedetti Park - Phase I Improvements.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hitchcock

D-6 Approve Plans and Specifications and Authorize Advertisement for Bids for 2010 Alley Reconstruction Project (PW)

Approved the plans and specifications and authorized advertisement for bids for 2010 Alley Reconstruction Project.

D-7 Set Public Hearing for February 3, 2010, to Consider the Approval of the Action Plan Amendment for the Reallocation of Available Community Development Block Grant and Community Development Block Grant - Recovery Program Funding (CD)

Set public hearing for February 3, 2010, to consider the approval of the Action Plan amendment for the reallocation of available Community Development Block Grant and Community Development Block Grant - Recovery Program funding.

E. Comments by the Public on Non-Agenda Items

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES. The City Council cannot deliberate or take any action on a non-agenda item unless there is factual evidence presented to the City Council indicating that the subject brought up by the public does fall into one of the exceptions under Government Code Section 54954.2 in that (a) there is an emergency situation, or (b) the need to take action on the item arose subsequent to the agenda's being posted. Unless the City Council is presented with this factual evidence, the City Council will refer the matter for review and placement on a future City Council agenda.

Gene Endicott, representing the State High Speed Train project, provided information regarding high speed rail including public scoping meetings, project alternatives, environmental impact aspects, proposed routes, station proposals, first meeting on January 20, 2009, in Stockton at the San Joaquin Council of Governments, and the process associated with the review of the project.

F. Comments by the City Council Members on Non-Agenda Items

Council Member Johnson provided statistical information regarding the population and length of Council meetings for Stockton and Lodi.

G. Comments by the City Manager on Non-Agenda Items

City Manager King provided an overview of the "Talk to Lodi" feature on the City website and discussed enhanced landscaping options for the Lodi Avenue project at the intersection of Lodi Avenue and Cherokee Lane.

H. Public Hearings - None

I. Communications

I-1 Claims Filed Against the City of Lodi - None

I-2 Appointments - None

I-3 Miscellaneous - None

J. Regular Calendar

J-1 Authorize the City Manager to Engage Lamont Financial Services and Stone and Youngberg LLC for Professional Services Related to Financing the Mokelumne Water Treatment Plant and Adopt Resolution Declaring Intent to Reimburse Certain Expenditures from Proceeds of Indebtedness (CM) NOTE: This item is carried over from the meeting of 12/16/09

City Manager King provided a brief presentation regarding the selection of firms associated with the financial aspects of constructing the water treatment plant, proposed services to be provided by Lamont Financial Services and Stone and Youngberg, the proposed costs associated with retaining the services, and recommended action authorizing the City Manager to engage the firms for the proposed financial services.

In response to Mayor Katzakian, Public Works Director Wally Sandelin stated the permitting process goes through Department of Public Health and it is expected that the permitting process will be completed by July 2010.

In response to Council Member Johnson, Mr. King stated that the ability to bank water is contingent upon Woodbridge Irrigation District approval and there is some indication that the approval will not be forth coming because there is some question of whether the banked water is being put to a beneficial use.

In response to Council Member Johnson, Mr. King stated that, prior to a bond being issued, there would need to be some determination of the mechanism to be used for assessing the cost to new development such as an impact fee and/or connection charge.

In response to Mayor Katzakian, Mr. King stated the fees collected would go to the Water Fund and to actual debt service.

In response to Council Member Johnson, Mr. King stated it is anticipated that the impact fee and connection charge would go to the Water Fund, the exact amount of the debt service over an extended time period would not be known to anyone in light of market conditions, and marketability of the bond would be affected if debt service is written into the debt instrument itself.

Council Member Mounce stated she will not be supporting the recommended action because she does not believe it is the right time to borrow and incur additional debt service.

In response to Council Member Hansen, Mr. King stated a rate model would need to be shown to illustrate the ability to pay for the bond.

In response to Council Member Hansen, Mr. Sandelin confirmed the cost was between the \$30 million and \$35 million range, although the bid could come in for less due to the economy and favorable bid climate expected through 2010.

In response to Council Member Mounce, Mr. Sandelin confirmed there was a 73% wastewater rate increase previously, the rate model for water is being worked on, and staff is continuing to work on related impacts.

Council Member Johnson made a motion, second by Council Member Hansen, to authorize the City Manager to engage Lamont Financial Services and Stone and Youngberg LLC for professional services related to financing the Mokelumne Water Treatment Plant and adopted Resolution No. 2010-01 declaring intent to reimburse certain expenditures from proceeds of indebtedness.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, and Mayor Katzakian

Noes: Council Member Mounce

Absent: Mayor Pro Tempore Hitchcock

J-2 Receive Advisory Water and Wastewater Usage-Based Rates for the Purpose of Research and Customer Comparison (PW) NOTE: This item is carried over from the meeting of 12/16/09

City Manager King briefly introduced the subject matter of the advisory water and wastewater usage-based rates.

Public Works Director Wally Sandelin and Robert Reed provided a PowerPoint presentation regarding advisory water and wastewater usage-based rates. Specific topics of discussion included usage-based rates, key rate structure issues, proposed water rates, proposed

wastewater rates, and the rate implementation process.

In response to Council Member Hansen, Mr. Reed stated the winter months are used to estimate indoor water usage generally, although some property owners still have their sprinklers on during the winter.

In response to Council Member Hansen, Mr. Reed stated they look at bell curve information for excess cut off purposes during the July and August months.

In response to Council Member Hansen, Mr. Reed stated the City is trying to be revenue neutral on water meters by collecting the cost associated with providing the service and not generating additional income. Mr. King stated the rates need to be revenue neutral to pay for the service and not the commodity, the three tiers reward the most frugal usage, on average residents will be paying close to what they pay now, and there is an assumption that people will reduce their overall usage.

In response to Council Member Hansen, Mr. Reed stated data is collected monthly, review of usage and rates should happen annually, there is a self-adjusting mechanism in the rates, and no profit can be made in utility legally.

In response to Council Member Mounce, Mr. Reed stated 95% to 98% of residents will have a 3/4 pipe while the remaining larger lots could have larger pipes.

In response to Council Member Johnson, Mr. Reed stated the charge is greater with the larger pipes because the capacity of water varies with larger pipes, there is an ability to put a bigger demand on service, the usage is generally industrial based, and the infrastructure facility is also covered by meter charges.

In response to Council Member Johnson, Mr. Sandelin stated the fixed-rate component pays for the system and the system is designed to facilitate the needs of the operations of the utility.

In response to Mayor Katzakian, Mr. Sandelin confirmed most residents have a 3/4 pipe and there is an ability to change it out to upgrade and/or downsize.

Robin Rushing spoke in regard to his concerns about how the three-tier rate system is designed to work.

In response to Mayor Katzakian, Mr. King stated staff will be monitoring cash flow for the winter months consumption since revenue generation is neutral.

J-3 Authorize City Manager to Execute Addendum to the 2007-2011 Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi Bargaining Unit (CM) NOTE: This item is carried over from the meeting of 12/16/09

City Manager King provided a brief overview of the proposed recommended action and discussed the opening of the Memorandum of Understanding based on the fact that the General Fund did not grow by 1% and commended the police officers for their efforts to assist during the challenging fiscal times.

Human Resources Manager Dean Gualco specifically discussed the terms of the agreement, including those associated with clarifying language for hours of work, uniform allowance, holiday leave, cash in-lieu of deferred compensation, and tuition reimbursement.

Council Member Mounce made a motion, second by Council Member Hansen, to authorize the

City Manager to execute addendum to the 2007-2011 Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi bargaining unit.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hitchcock

J-4 Receive Presentation Regarding the Draft Environmental Impact Report and Draft General Plan (CD)

City Manager King briefly introduced the subject matter of the Draft Environmental Impact Report (DEIR) and General Plan Update.

Interim Community Development Director Rad Bartlam provided a PowerPoint presentation regarding the Lodi DEIR and General Plan. Specific topics of discussion included the agenda, purpose, topics evaluated, impacts, DEIR alternatives, Alternative A, Alternative B, No Project Alternative, General Plan land use map, General Plan update and themes, Planning Commission action, and the next steps.

In response to Council Member Hansen, Mr. Bartlam stated that, regardless of the policies, including those associated with land use, traffic, climate action plans, etc., which are being prepared for possible viable mitigation, the City will still be left with significant and unavoidable impacts as is the case with other cities.

In response to Council Member Johnson, Mr. Bartlam stated the western boundary is not squared off up to Turner Road because the area to the north of Turner Road has some flood issues and there is no street connectivity south of Turner Road.

In response to Council Member Hansen, Mr. Bartlam stated narrower street dimensions in future developments are not covered specifically in the General Plan, rather there is a general look at the walkable, livable neighborhoods. Mr. Bartlam stated that issue will likely come back to the Planning Commission as a part of the Development Code.

In response to Council Member Mounce, Mr. Bartlam stated the Planning Commission made a recommendation to approve the General Plan with modifications providing for gated neighborhoods in certain cases and cul de sacs were neither prohibited nor encouraged.

In response to Council Member Mounce, Mr. Sandelin stated that, based on growth and mandates, the treatment plant will have reserved enough options for General Plan build out purposes.

In response to Council Member Mounce, Mr. Bartlam stated he is not sure of the genesis of the citizen comment pertaining to relocating residents and building a hotel in the downtown area. He stated generally downtown policies become a little bit more flexible as a result of the General Plan policies.

In response to Council Member Hansen, Mr. Bartlam stated the public involvement is limited possibly due to the document being sufficient and the document itself being esoteric.

In response to Council Member Hansen, Mr. Bartlam confirmed that the General Plan information would be coming back to the Council in late February or early March. Mr. King stated if there are

any changes Council would like to see, staff would appreciate hearing about them sooner than later.

Bruce Fry spoke in regard to the PRR designation below Harney Road, property owners prefer the Alternative A option, agricultural mitigation, and additional written comments will be submitted on behalf of the property owners in the area.

In response to Council Member Johnson, Mr. Bartlam stated the 1 to 1 ratio is standard throughout the County. Mr. Fry stated the ratio may need to be different in higher valued property areas and property owners previously entered into an agreement for improvements with the City pertaining to future development south of Harney Lane.

In response to Council Member Hansen, Mr. Fry stated the property owners have always wanted the PRR designation to remain in the General Plan. Mr. Sandelin stated a study resulted in a design change to the lift station on Harney Lane and the previous agreement with the property owners did not extend the service line beyond Harney Lane.

In response to Council Member Johnson, Mr. Sandelin stated the service line and lift with minimal modifications maximizes the current Harney Lane area.

In response to Council Member Hansen, Mr. Bartlam stated the sphere of influence is different than the study area because the study area does not have any legal meaning, whereas a sphere of influence specifically designates with the Local Agency Formation Commission (LAFCO) an area that the City intends to grow in.

In response to Council Member Hansen, Mr. Bartlam stated the study area was designated from Highway 99 to I-5 and a half mile north and south to Armstrong Road, which goes up to Stockton's area.

In response to Council Member Hansen, Mr. Bartlam stated it is difficult to answer how to prevent cities from being right next to each other and what is the appropriate amount of space between cities, as that would be determined by policy of the specific community.

In response to Mayor Katzakian, Mr. Bartlam stated the urban reserve and sphere of influence are different concepts and an application will be made to LAFCO after the General Plan process is complete.

J-5 Authorize City Manager to Execute Addendum to the 2008-2009 Memorandum of Understanding between the City of Lodi and the Lodi City Mid-Management Association (CM)

Council Member Mounce made a motion, second by Council Member Johnson, to continue the item to a date uncertain as both a closed session and regular calendar item.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hitchcock

J-6 Approve Legal Expenses Incurred by Outside Counsel/Consultants Relative to the Environmental Abatement Program Litigation (\$1,435.44) (CA)

Council Member Johnson made a motion, second by Council Member Mounce, to approve legal expenses incurred by outside counsel/consultants relative to the Environmental Abatement Program litigation in the amount of \$1,435.44, as further detailed in the staff report.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hitchcock

K. Ordinances - None

L. Reorganization of the Following Agency Meetings: Lodi Public Improvement Corporation (LPIC), Industrial Development Authority (IDA), Lodi Financing Corporation (LFC), and City of Lodi Redevelopment Agency (RDA)

Council Member Johnson made a motion, second by Council Member Mounce, to adopt the following agency resolutions:

Resolution No. LPIC2010-01 electing officers of the Lodi Public Improvement Corporation;

Resolution No. IDA-31 amending Resolution No. IDA-30 by electing new officers of the Industrial Development Authority;

Resolution No. LFC-19 electing officers of the Lodi Financing Corporation; and

Resolution No. RDA2010-01 electing officers of the City of Lodi Redevelopment Agency and waiving compensation for the January 6, 2010, meeting.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Hansen, Council Member Johnson, Council Member Mounce, and Mayor Katzakian

Noes: None

Absent: Mayor Pro Tempore Hitchcock

M. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 10:32 p.m.

ATTEST:

Randi Johl
City Clerk