

**LODI CITY COUNCIL
REGULAR CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
WEDNESDAY, MAY 18, 2011**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of May 18, 2011, was canceled and handled via Special Meeting. [See minutes of the May 18, 2011, Special City Council meeting.]

C-2 Announcement of Closed Session - N/A

- a) Conference with Dean Gualco, Human Resources Manager (Labor Negotiator), Regarding Unrepresented Executive Management, Lodi City Mid-Management Association, Unrepresented Confidential Employees, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, International Brotherhood of Electrical Workers, Fire Mid-Managers, and Lodi Professional Firefighters Pursuant to Government Code §54957.6
- b) Pursuant to Government Code §54956.9(c): One Potential Case; Conference with Legal Counsel - Initiation of Litigation: City of Lodi v. Lodi Police Officers' Association Regarding 2007-2011 Memorandum of Understanding; and Threatened Litigation: Government Code §54956.9(b): One Case; Potential Suit by Lodi Police Officers' Association Against City of Lodi Based on Concession Agreements

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 May 18, 2011, was called to order by Mayor Johnson at 7:00 p.m.

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

Absent: Mayor Pro Tempore Mounce

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

B. Presentations

B-1 Quarterly Update by the Greater Lodi Area Youth Commission (PRCS)

Jason Larkin, member of the Greater Lodi Area Youth Commission, gave an update on the activities and accomplishments of the Commission, after which Mayor Johnson presented the following Teen of the Month awards: Danielle Gardea, February 2011; Haley Addington, March 2011; and Hope Kuehne, April 2011.

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

Council Member Hansen made a motion, second by Council Member Katzakian, to approve the following items hereinafter set forth 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 Katzakian, Council Member Nakanishi, and Mayor Johnson

Noes: None

Absent: Mayor Pro Tempore Mounce

C-1 Receive Register of Claims in the Amount of \$2,090,312.29 (FIN)

Claims were approved in the amount of \$2,090,312.29.

C-2 Approve Minutes (CLK)

The minutes of April 26, 2011 (Shirtsleeve Session), May 3, 2011 (Shirtsleeve Session), and May 4, 2011 (Special Meeting) were approved as written.

C-3 Approve Plans and Specifications and Authorize Advertisement for Bids for 2011 Alley Reconstruction Project (PW)

Approved the plans and specifications and authorized advertisement for bids for 2011 Alley Reconstruction Project.

C-4 Adopt Resolution Approving the Purchase and Installation of Permanent Recognition Plaques for Current Art in Public Places Pieces and Appropriating Funds (\$3,164.81) (PRCS)

Adopted Resolution No. 2011-68 approving the purchase and installation of permanent recognition plaques for current Art in Public Places pieces and appropriating funds in the amount of \$3,164.81.

C-5 Adopt Resolution Authorizing the City Manager to Execute Two-Year Contract and Contract Extensions for Rental and Cleaning of Uniforms for Certain Field and Warehouse Employees with Cintas, of Stockton (\$88,310.30) (PW)

Adopted Resolution No. 2011-69 authorizing the City Manager to execute two-year contract and contract extensions for rental and cleaning of uniforms for certain field and warehouse employees with Cintas, of Stockton, in the amount of \$88,310.30.

C-6 Adopt Resolution Authorizing the City Manager to Execute Contract for 2011 Extruded Thermoplastic Traffic Stripes, Various City Streets, with Centerline Striping Company, Inc., of Elk Grove (\$27,965) (PW)

Adopted Resolution No. 2011-70 authorizing the City Manager to execute contract for 2011 Extruded Thermoplastic Traffic Stripes, Various City Streets, with Centerline Striping Company, Inc., of Elk Grove, in the amount of \$27,965.

C-7 Adopt Resolution Authorizing the City Manager to Execute an Agreement with Osmose Utilities Services, Inc., of Tyrone, GA, for Electric Utility Pole Inspection, Testing, and Treatment with Administration by the Electric Utility Director (\$110,000) (EUD)

Adopted Resolution No. 2011-71 authorizing the City Manager to execute an agreement with Osmose Utilities Services, Inc., of Tyrone, GA, for electric utility pole inspection, testing, and treatment with administration by the Electric Utility Director in the amount of \$110,000.

- C-8 Adopt Resolution Authorizing the City Manager to Execute Professional Services Agreement for Cal/OSHA Required Service on Vehicles with Altec Industries, Inc., of Dixon, CA, for a Five-Year Term with Administration by the Electric Utility Director (Not to Exceed \$25,000 Annually) (EUD)

Adopted Resolution No. 2011-72 authorizing the City Manager to execute Professional Services Agreement for Cal/OSHA required service on vehicles with Altec Industries, Inc., of Dixon, CA, for a five-year term with administration by the Electric Utility Director in an amount not to exceed \$25,000 annually.

- C-9 Adopt Resolution Authorizing Specific Staff Members of York Risk Services Group, Inc. as Signers on the City of Lodi Workers Compensation Claims Management Account (CM)

In response to Council Member Nakanishi, Deputy City Manager Jordan Ayers stated the proposed action will provide York Risk Services Group, Inc. to be signers on the workers compensation account.

Adopted Resolution No. 2011-73 authorizing specific staff members of York Risk Services Group, Inc. as signers on the City of Lodi workers compensation claims management account.

- C-10 Accept Improvements Under Contract for DeBenedetti Park - Electrical Improvements, 2350 South Lower Sacramento Road (PW)

Accepted the improvements under contract for DeBenedetti Park - Electrical Improvements, 2350 South Lower Sacramento Road.

- C-11 Adopt Resolution Approving Submittal of Grant Documents to California Emergency Management Agency Homeland Security and Authorizing Transportation Manager to Submit All Necessary Paperwork and Reimbursement Requests (PW)

Adopted Resolution No. 2011-74 approving submittal of grant documents to California Emergency Management Agency Homeland Security and authorizing the Transportation Manager to submit all necessary paperwork and reimbursement requests.

- C-12 Adopt Resolution Authorizing the City Manager to File Claim for 2010/11 Transportation Development Act Funds in the Amount of \$1,710,558 from Local Transportation Fund and \$217,922 from State Transit Assistance Fund (PW)

Adopted Resolution No. 2011-75 authorizing the City Manager to file claim for 2010/11 Transportation Development Act funds in the amount of \$1,710,558 from Local Transportation Fund and \$217,922 from State Transit Assistance fund.

- C-13 Adopt Resolution Authorizing the City Manager to Allocate Additional Funds to the Lodi Energy Efficiency Financing Program (\$150,000) (EUD)

Adopted Resolution No. 2011-76 authorizing the City Manager to allocate additional funds to the Lodi Energy Efficiency Financing Program in the amount of \$150,000.

- C-14 Adopt Resolution Authorizing the Issuance of a CAL-Card Procurement Card to Interim Fire Chief Dan Haverty (CM)

Adopted Resolution No. 2011-77 authorizing the issuance of a CAL-Card Procurement Card to Interim Fire Chief Dan Haverty.

C-15 Receive Report Regarding League of California Cities Communications Pertaining to Assembly Bill 506 and Senate Bill 286 (CLK)

Received report regarding League of California Cities communications pertaining to Assembly Bill 506 and Senate Bill 286.

C-16 Approve Amendment to City Council Protocol Manual by Adding Section 7.9 Regarding Communications at the Request of the League of California Cities (CLK)

Approved amendment to City Council Protocol Manual by adding Section 7.9 regarding communications at the request of the League of California Cities.

C-17 Adopt Resolution Initiating Proceedings for the Levy and Collection of Assessments, Resolution Approving the Annual Report, and Resolution Declaring Intention to Levy and Collect Assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for Fiscal Year 2011/12; and Set Public Hearing for June 15, 2011 (PW)

Adopted Resolution No. 2011-78 initiating proceedings for the levy and collection of assessments, Resolution No. 2011-79 approving the Annual Report, and Resolution No. 2011-80 declaring intention to levy and collect assessments for the Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1 for fiscal year 2011/12; and set public hearing for June 15, 2011.

D. 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.

June Aaker, speaking on behalf of Michael Warren of Crush Restaurant, spoke in regard to her concerns about the mismanagement of funds by the Downtown Lodi Business Partnership (DLBP). In response to Council Member Nakanishi, Mr. Ayers and Mr. Bartlam confirmed \$28,500 was approved last year for DLBP as a part of the City's budget process and the annual report from DLBP is due in September. The City Council provided general direction for Mayor Johnson and Council Member Hansen to meet with the Executive Board of the DLBP to better understand the nature of the allegations regarding mismanagement of funds.

Robin Rushing spoke of his concerns regarding the City's participation in the natural gas purchase program as approved at the last City Council meeting.

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

Council Member Hansen reported on his attendance at the San Joaquin Council of Governments Project Delivery Committee meeting and the American Public Power Agency Federal Policy Conference in Washington D.C. Specific topics of discussion included the hydro dam portfolio, mitigation factors, and the I-5 widening project status. He stated the bid came in \$1.7 million over estimate and will be absorbed by CalTrans.

Council Member Nakanishi thanked the City employees for giving concessions to balance the

budget.

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

City Manager Bartlam thanked the City employees for giving concessions to balance the budget.

G. Public Hearings

G-1 Public Hearing to Consider Introducing an Ordinance on Economic Incentive Rate Discounts (EUD)

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 public hearing to consider introducing an ordinance on economic incentive rate discounts.

City Manager Bartlam briefly introduced the subject matter of the economic incentive rate discounts.

Customer Services and Programs Manager Rob Lechner provided a PowerPoint presentation regarding the proposed economic incentive rate discounts. Specific topics of discussion included why incentives are offered including economic development and job growth, what is being offered including new sales tax generation, proposal for July 1 including new business rate discount and new jobs rate discount, and next steps including the process for the public hearing and approval.

In response to Council Member Hansen, Mr. Lechner stated the new jobs rate discount is what is needed for existing businesses in town.

In response to Council Member Hansen, Mr. Lechner stated rate discounts are a part of the utility fund and are not public benefit monies.

In response to Council Member Hansen, Mr. Lechner stated the rate discount is dependent upon how much the customer spends and could be anywhere from 5% to 15% of the utility bill.

In response to Council Member Nakanishi, Mr. Lechner stated he is not sure about PG&E but Sacramento Municipal Utility District and other agencies do have similar discounts.

In response to Mayor Johnson, Mr. Lechner stated the program will be publicized through the Chamber of Commerce, Lodi News Sentinel, San Joaquin Partnership, direct mailers to the business community, and through the counter at the Finance Department.

Mayor Johnson opened the public hearing to receive public comment.

Robin Rushing spoke in regard to his concerns about the costs associated with offering the program.

Receiving no further public comment, Mayor Johnson closed the public hearing.

Council Member Hansen made a motion, second by Council Member Katzakian, to introduce Ordinance No. 1845 amending Lodi Municipal Code Chapter 13.20, "Electrical Service," by repealing and re-enacting Section 13.20.315 titled, "Schedule EDR-Economic Development Rates," in its entirety.

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Mayor Pro Tempore Mounce

G-2 Public Hearing to Consider Adopting Resolution Setting Wastewater Rates for Residential, Commercial, and Industrial Customers (PW)

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 public hearing to consider adopting resolution setting wastewater rates for residential, commercial, and industrial customers.

City Manager Bartlam provided a brief introduction regarding the subject matter of setting wastewater rates.

Public Works Director Wally Sandelin provided a PowerPoint presentation regarding setting the wastewater rates. Specific topics of discussion included background, previous Proposition 218 hearing, rate adjustments, major expenditures, fund highlights, comparative rates, and proposed recommendation.

In response to Council Member Hansen, Mr. Sandelin confirmed the infrastructure program will replace old pipes and needed lining, studies are mandates, the solids handling is not tied to a rate increase, and the debt service is related to an unfunded state mandate for improvements.

In response to Council Member Hansen, Mr. Sandelin stated those who monitor their water meters and conserve will also benefit on the wastewater side.

Mayor Johnson opened the public hearing and receiving no public comment closed the public hearing.

Council Member Hansen made a motion, second by Mayor Johnson, to adopt Resolution No. 2011-81 setting wastewater rates for residential, commercial, and industrial customers.

VOTE:

The above motion carried by the following vote:

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

Noes: Council Member Nakanishi

Absent: Mayor Pro Tempore Mounce

H. Communications

H-1 Appointments to the Lodi Animal Advisory Commission, Greater Lodi Area Youth Commission ~ Adult Advisors, and Site Plan and Architectural Review Committee (CLK)

Mayor Johnson made a motion, second by Council Member Katzakian, to make the following appointments:

Lodi Animal Advisory Commission

Manuel J. Martin, term to expire December 31, 2013

Greater Lodi Area Youth Commission

Adult Advisors:

Nicole Grauman, term to expire May 31, 2014

Jaime Watts, term to expire May 31, 2014

Site Plan and Architectural Review Committee

Keith Sellese, term to expire January 1, 2012

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Mayor Pro Tempore Mounce

H-2 Post for Vacancies on the Personnel Board of Review (CLK)

Mayor Johnson made a motion, second by Council Member Katzakian, to direct the City Clerk to post for the following vacancies:

Personnel Board of Review

Term to expire January 1, 2014

Term to expire January 1, 2014

Term to expire January 1, 2014

Term to expire January 1, 2015

Term to expire January 1, 2015

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Mayor Pro Tempore Mounce

I. Regular Calendar

- I-1 Introduce Ordinance Rezoning the South Hutchins Annexation Project (CA) NOTE: This item is a quasi-judicial hearing and requires disclosure of ex parte communications as set forth in Resolution No. 2006-31

City Manager Bartlam provided a brief overview of the housekeeping measure and proposed ordinance introduction associated with the previous approval of the proposed annexation. The City Council disclosed they had no ex parte communications on the subject matter since the time of the previous approval.

Mayor Johnson made a motion, second by Council Member Hansen, to introduce Ordinance No. 1846 amending the Official District Map of the City of Lodi and thereby rezoning the parcel located at 13333 North West Lane (APN 058-100-03) from AG-40 (County) to Planned Development 43 (PD-43).

VOTE:

The above motion carried by the following vote:

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

Noes: None

Absent: Mayor Pro Tempore Mounce

- I-2 Adopt Resolution Authorizing the City Manager and Treasurer to Execute All Agreements

Necessary to Award Contracts to Bank of the West for General Banking Services and to Bank of America for Lockbox Services (CM)

City Manager Bartlam briefly introduced the subject matter of banking services contracts.

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the proposed banking services contracts. Specific topics of discussion included existing banking services, request for proposals, mandatory services, optional services, mandatory services costs, lockbox and related costs, remote deposit capture and costs, overnight sweep, debit and credit card processing and costs, line of credit, evaluation process, evaluation results, cost summary, rationale, proposed recommendation, and requested action.

In response to Mayor Johnson, Mr. Ayers stated the Government Finance Officers' Association recommends a stand-alone versus pool coverage for insurance.

In response to Council Member Hansen, Mr. Ayers stated currently for mailed payments delivery occurs at the post office, staff picks up the envelopes and takes them back to Finance, the payments are processed through a worn-out machine for bar code reading, and the proposal is to contract out this service.

In response to Council Member Nakanishi, Mr. Ayers stated the City does accept electronic payment, the lockbox is for mailed payments only, and the proposed savings includes daily staff time for processing.

In response to Mayor Johnson, Mr. Ayers stated lockbox usage could be reduced if customer habits change and the cost for that service could be adjusted accordingly.

In response to Mayor Johnson, Mr. Ayers stated conversion to electronic media is not connected to paypoints, which currently only accept cash.

In response to Mayor Johnson, Mr. Ayers stated the hardware associated with the sweep proposal consists of a small unit that is connected by Ethernet or provides wireless access.

In response to Council Member Nakanishi, Mr. Ayers stated currently the overnight sweep is a manual process.

In response to Council Member Hansen, Mr. Ayers stated F&M Bank used to process card services in-house but sold those particular services to Elavon a few years ago.

In response to Council Member Hansen, Mr. Ayers stated Bank of the West has approximately 440 public agency clients nationwide and he is not sure about F&M Bank.

In response to Council Member Nakanishi, Mr. Ayers stated approximately \$170 million is processed through F&M Bank annually.

In response to Council Member Hansen, Mr. Ayers stated he reviewed the proposals from a gross perspective instead of a net perspective and he did check references for F&M Bank as well as Bank of the West.

The following individuals spoke in favor of continuing the City's banking services with F&M Bank based on customer service, competitive rates and services, local presence and job creation, and involvement in the community: Krista Steele, F&M Bank; Claude Brown; Frank Alegre; Jerry Ferraro; and Ken Steinwert, F&M Bank.

The following individuals spoke in favor of awarding the City's banking services to Bank of the West based on customer service and competitive rates and services: Dan Campbell, Bank of the West; Calvin Moss, Bank of West; and Shawn Fulton, Bank of West.

In response to Mayor Johnson, Mr. Campbell confirmed Elavon could have provided Bank of the West with a more favorable rate than F&M Bank based on the number of public agency clients.

In response to Council Member Hansen, Mr. Ayers stated the two rating agencies used were Bankrate and Bowers, there are a number of rating agencies for banks, and a minimum 3-star rating was required.

In response to Council Member Hansen, Mr. Ayers stated the letter F&M Bank refers to offering a five-year rate was presented in a questionable manner and it was therefore not acted upon further.

In response to Council Member Hansen, Mr. Ayers stated the request for proposals and responses were evaluated from a gross versus net perspective for equalization purposes.

In response to Council Member Hansen, Mr. Ayers stated from a net perspective it is possible that at the end of the day Bank of the West would be lower and have higher interest earnings based upon the same amount of money in holdings.

The City Council provided general direction to staff to obtain additional information regarding gross and net values for the proposals and agendize the matter for Council consideration at a future date.

J. Ordinances - None

K. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 10:15 p.m., in memory of long-time Lodi resident Jack Loftus, who passed away on May 3, 2011.

ATTEST:

Randi Johl
City Clerk