

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, JANUARY 25, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 25, 2011, commencing at 7:00 a.m.

Present: Council Member Katzakian, Council Member Nakanishi, Mayor Pro Tempore Mounce, and Mayor Johnson

Absent: Council Member Hansen

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

B. Topic(s)

B-1 Receive Fiscal Year 2010/11 Mid-Year Budget Report on Expenditures (CM)

City Manager Bartlam and Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the 2010/11 mid-year budget review. Specific topics of discussion included General Fund balance, departmental variances, and costs and variances for City Manager, Internal Services, non-departmental, Police, Fire, Public Works, Community Development, Recreation, Community Center, Library, Streets, Electric Utility, and Water and Wastewater Utility.

In response to Mayor Johnson, Mr. Ayers stated non-departmental includes Citywide utilities, audit services, and debt service.

In response to Mayor Pro Tempore Mounce, Mr. Ayers stated medical costs show up in each departmental budget and are paid from the benefits side.

In response to Mayor Pro Tempore Mounce, Mr. Ayers stated on a monthly basis the medical costs for separation are charged back to the department as needed from the benefits side.

In response to Mayor Johnson, City Attorney Schwabauer stated the City does not have any control over the DIVCA amount because it is State-controlled.

In response to Mayor Johnson, Mr. Ayers stated the cost for strike team call outs is a wash and balances out on both the expenditure and revenue sides.

In response to Mayor Johnson, Mr. Ayers stated with aquatics revenues are not keeping up with costs and the program is upside down.

In response to Mayor Pro Tempore Mounce, Public Works Director Wally Sandelin stated the principal projects being carried over are those associated with Proposition 1B and those connected with the Harney Lane project. Mr. Sandelin stated the difference on the water side is primarily related to the meter installation program.

In response to Mayor Pro Tempore Mounce, Mr. Ayers stated medical costs are a challenge because they are budgeted tightly by individual and any variance can cause an increase or decrease in the budget.

In response to Council Member Nakanishi, Interim Parks and Recreation Director Rodems stated

the aquatics numbers were affected by increased hours at Lodi Lake and Blakely pool, which could not be offset by the revenue. Mr. Bartlam stated he will be providing additional information regarding the aquatics program and costs at the next Shirtsleeve Session when departmental reorganizations are discussed.

Council Member Nakanishi requested the total compensation amount for the Police Chief position, which is currently being recruited for.

City Manager Bartlam stated the first of six budget strategy workshops is scheduled for next Tuesday evening, February 1, 2011, at 5:30 p.m. at Carnegie Forum. He stated the workshops are not designed for Council, but more so for key members of the public and staff in order to create a better understanding of the inner workings of the budget.

In response to Myrna Wetzel, Mr. Bartlam stated the budget strategy meetings are scheduled for the evening and may be moved later into the evening depending upon schedules. He stated the information will also be available through the City's website for the general public and those that cannot attend.

In response to Myrna Wetzel, Mr. Bartlam stated the wastewater reduction in revenue is based on an anticipated implementation of a rate increase that did not happen due to expenditures being lower than expected.

In response to Mayor Johnson, Mr. Bartlam stated all mid-year adjustments are scheduled for the February 16, 2011, City Council meeting.

In response to Ray Crow, Mayor Johnson stated the idea of charging for fire and paramedic services as suggested in the Sacramento Bee article was previously discussed and did not go anywhere.

In response to Council Member Nakanishi, Mr. Bartlam and Mr. Ayers stated that, while there is a 4.3% increase in sales tax for the third quarter, that figure should be considered in the context of numbers from previous years keeping in mind that the current increase also includes one-time sales tax from the Lodi Energy Center.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:35 a.m.

ATTEST:

Randi Johl  
City Clerk



**CITY OF LODI  
COUNCIL COMMUNICATION**

**AGENDA TITLE:** Receive Fiscal Year 2010/11 Mid-Year Budget Report on Expenditures

**MEETING DATE:** January 25, 2011

**PREPARED BY:** Deputy City Manager

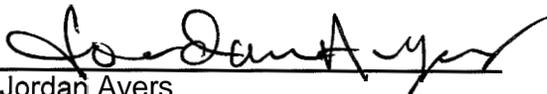
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**RECOMMENDED ACTION:** Receive Fiscal Year 2010/11 mid-year budget report on expenditures.

**BACKGROUND INFORMATION:** Staff will present data regarding the status of budget estimates for expenditures/expenses. Revenue data was provided to Council on January 11, 2011.

Staff will highlight the following major funds in their presentation: General Fund, Community Center, Community Development, Library, Recreation, Streets and the three utility funds: Electric, Water and Wastewater.

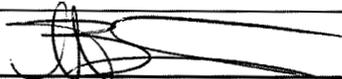
Staff will present more detail at the Shirtsleeve meeting.

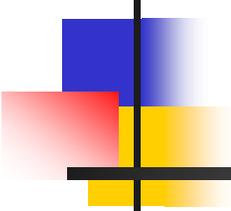
  
Jordan Ayers  
Deputy City Manager

JA/ja

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APPROVED:

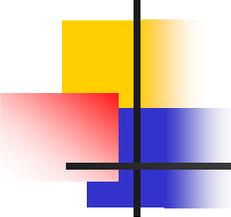
  
Konradt Bartlam, City Manager



# 2010/11 Mid-Year Budget Review

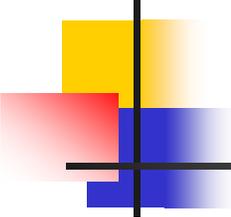
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Expenditures  
City Council Shirtsleeve  
January 25, 2011



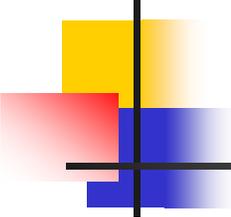
# General Fund

	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>General Fund</b>				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	3,383,191	3,831,962	3,896,576	64,614
Revenues	40,547,920	41,321,750	41,321,690	(60)
Expenditures	40,034,535	41,321,750	41,256,838	(64,912)
Net Difference (Revenues Less Expenditures)	513,385	-	64,852	64,852
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	3,896,576	3,831,962	3,961,428	129,466



# Departmental Variances

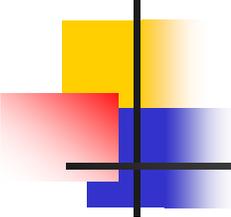
Division	2010/11 Budget	2010/11 Estimated	Over /(Under) Budget
City Clerk	\$606,100	\$610,057	\$3,957
City Manager	564,600	577,723	13,123
Economic Development	504,050	502,996	(1,054)
City Attorney	468,150	469,790	1,640
Internal Services	3,411,600	3,448,792	37,192
Non-Departmental	6,669,030	6,593,612	(75,418)
Police Department	15,970,480	15,905,896	(64,584)
Fire Department	9,125,280	9,161,201	35,921
Public Works Department	1,709,690	1,694,973	(14,717)
Parks Department	2,292,770	2,291,798	(972)
<b>Grand Total</b>	<b>\$41,321,750</b>	<b>\$41,256,838</b>	<b>(\$64,912)</b>



# General Fund Departments

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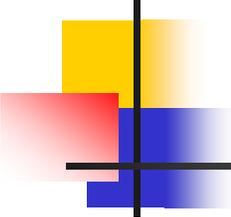
- City Manager (\$13,123 over budget)
  - Increased costs for City Manager
- Internal Services (\$37,123 over budget)
  - Increased medical costs and retro pay
- Non-Departmental (\$75,418 savings)
  - Savings in Utilities, DIVCA and projected inventory write-off



# General Fund Departments

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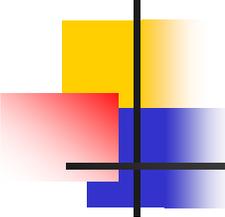
- Police (\$64,584 savings)
  - Savings from POST training reductions
  - Savings from duplicated budget amounts
  - Savings from Chief vacancy offset by retiree payouts and increased Overtime



# General Fund Departments

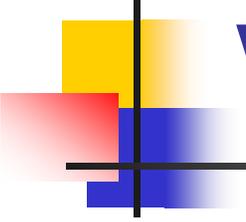
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- Fire (\$35,921 over budget)
  - Savings from fewer Strike Team call-outs
  - Savings from duplicated budget amounts
  - Increased costs associated with retirements and Battalion Chief Overtime
- Public Works (\$14,717 savings)
  - Savings from increased reimbursements of staff costs from the utilities



# Community Development

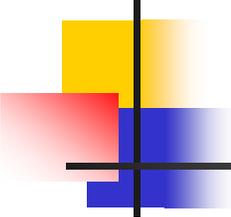
	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Community Development Fund</b>				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	(921,716)	(566,223)	(838,657)	(272,434)
Revenues	1,098,577	1,102,990	1,593,681	490,691
Expenditures	<u>1,015,518</u>	<u>1,065,500</u>	<u>1,025,536</u>	<u>(39,964)</u>
Net Difference (Revenues Less Expenditures)	83,059	37,490	568,145	530,655
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>(838,657)</u>	<u>(528,733)</u>	<u>(270,512)</u>	<u>258,221</u>



# Community Development Variances

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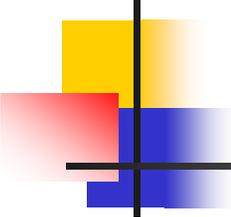
- Savings due to vacant Director position



# Recreation

	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Recreation Fund</b>				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	54,410	55,722	(154,782)	(210,504)
Revenues	1,739,678	2,004,990	1,896,630	(108,360)
Expenditures	<u>1,948,870</u>	<u>2,004,790</u>	<u>1,898,542</u>	<u>(106,248)</u>
Net Difference (Revenues Less Expenditures)	(209,192)	200	(1,912)	(2,112)
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>(154,782)</u>	<u>55,922</u>	<u>(156,694)</u>	<u>(212,616)</u>

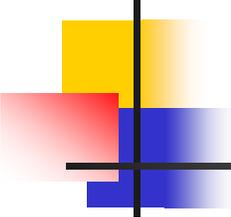
Note: Does not include effect of recommended re-organization



# Recreation Variances

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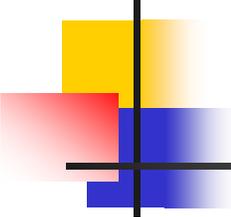
- Savings from budget reduction related to After School programs
- Offset by increased Aquatics staff costs



# Community Center

	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Community Center Fund</b>				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	(232,211)	(201,833)	(352,199)	(150,366)
Revenues	1,800,514	1,850,570	1,831,070	(19,500)
Expenditures	<u>1,920,502</u>	<u>1,850,570</u>	<u>1,815,505</u>	<u>(35,065)</u>
Net Difference (Revenues Less Expenditures)	(119,988)	-	15,565	15,565
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>(352,199)</u>	<u>(201,833)</u>	<u>(336,634)</u>	<u>(134,801)</u>

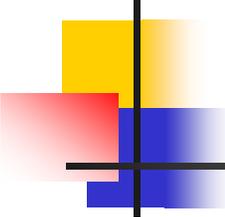
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# Community Center Variances

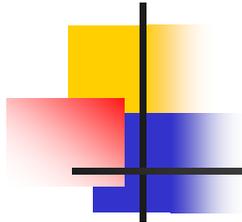
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- Reduction in staff costs due to retirement
- Savings from changes to medical coverage



# Library

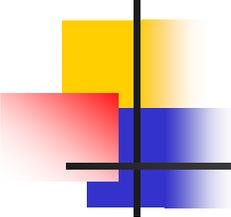
	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Library Fund</b>				
<u>Fund Balance</u>				
Beginning Fund Balance Unreserved	11,903	9,974	49,996	40,022
Revenues	1,463,245	1,452,700	1,446,195	(6,505)
Expenditures	<u>1,425,152</u>	<u>1,453,146</u>	<u>1,443,052</u>	<u>(10,094)</u>
Net Difference (Revenues Less Expenditures)	38,093	(446)	3,143	3,589
<u>Fund Balance</u>				
Ending Fund Balance Unreserved	<u>49,996</u>	<u>9,528</u>	<u>53,139</u>	<u>43,611</u>



# Library Variances

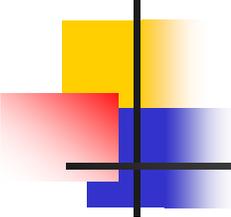
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- Savings from changes in medical plans



# Streets

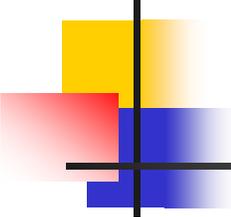
	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Street Fund</b>				
<u>Fund Balance</u>				
Beginning Fund Balance	8,310,298	7,035,734	8,663,509	1,627,775
Revenues	5,062,427	5,690,150	7,717,570	2,027,420
Expenditures	4,709,216	11,289,876	9,928,712	(1,361,164)
Net Difference (Revenues Less Expenditures)	353,211	(5,599,726)	(2,211,142)	3,388,584
<u>Fund Balance</u>				
Ending Fund Balance	8,663,509	1,436,008	6,452,367	5,016,359



# Streets Variances

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- Savings from staff vacancies
- Savings from various capital projects that will not be fully expended in the current year

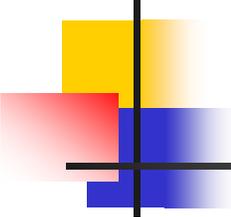


# Electric Utility

	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Electric Utility Enterprise Fund</b>				
<u>Cash Balance</u>				
Beginning Cash Balance *	12,003,103	12,232,699	12,125,835	(106,864)
Revenues	64,716,745	73,269,270	66,682,233	(6,587,037)
Expenditures	<u>64,594,013</u>	<u>76,618,920</u>	<u>70,113,729</u>	<u>(6,505,191)</u>
Net Difference (Revenues Less Expenditures)	122,732	(3,349,650)	(3,431,496)	(81,846)
<u>Cash Balance</u>				
Ending Cash Balance *	<u>12,125,835</u>	<u>8,883,049</u>	<u>8,694,339</u>	<u>(188,710)</u>

\* Local cash, excluding NCPA General Operating Reserve (GOR)

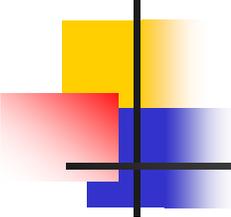
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# Electric Utility Variances

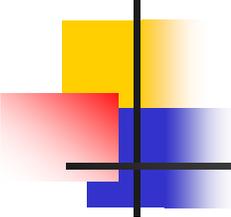
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- Savings due to reduced power purchases
- Projected current year deficit expected due to increased maintenance projects



# Water Utility

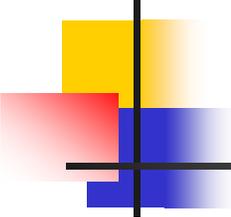
	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Water Utility Enterprise Fund</b>				
<u>Cash Balance</u>				
Beginning Cash Balance	20,272,801	24,717,657	14,120,605	(10,597,052)
Revenues	13,019,871	20,741,980	20,539,017	(202,963)
Expenditures	<u>19,172,067</u>	<u>23,165,451</u>	<u>22,217,126</u>	<u>(948,325)</u>
Net Difference (Revenues Less Expenditures)	(6,152,196)	(2,423,471)	(1,678,109)	745,362
<u>Cash Balance</u>				
Ending Cash Balance	<u>14,120,605</u>	<u>22,294,186</u>	<u>12,442,496</u>	<u>(9,851,690)</u>



# Water Utility Variances

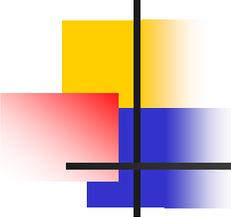
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- Capital project expenses lower than budget



# Wastewater Utility

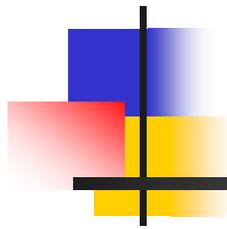
	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	Budget to Est Actuals Variance \$
<b>Wastewater Utility Enterprise Fund</b>				
<u>Cash Balance</u>				
Beginning Cash Balance	7,499,323	6,077,513	6,831,614	754,101
Revenues	11,885,017	17,054,390	15,732,041	(1,322,349)
Expenditures	<u>12,552,726</u>	<u>17,733,825</u>	<u>17,082,237</u>	<u>(651,588)</u>
Net Difference (Revenues Less Expenditures)	(667,709)	(679,435)	(1,350,196)	(670,761)
<u>Cash Balance</u>				
Ending Cash Balance	<u>6,831,614</u>	<u>5,398,078</u>	<u>5,481,418</u>	<u>83,340</u>



# Wastewater Utility Variances

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- Savings from staff vacancies
- Reduced use of consultants
- Reduction in usage of general supplies



Questions?

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