

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 17, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 17, 2011, commencing at 7:00 a.m.

Present: Council Member Hansen, Council Member Katzakian, and Mayor Johnson
Absent: Council Member Nakanishi, and Mayor Pro Tempore Mounce
Also Present: City Manager Bartlam, City Attorney Schwabauer, and City Clerk Johl

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2011/12 Budget (CM)

City Manager Rad Bartlam and Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the fiscal year 2011/12 budget. Specific topics of discussion included an overview of special revenue funds, including library, transit, streets, community development, and parks, recreation, and cultural services. Other discussion items included capital projects, fund transfers, and salary and benefit costs.

In response to Council Member Hansen, Mr. Bartlam stated layoffs would be effective July 1, 2011, one pay period notice is required for the International Brotherhood of Electrical Workers, and positions slated for layoff will be outlined as part of the budget adoption process. Mr. Bartlam confirmed notice will be provided as early as possible.

In response to Council Member Hansen, Library Services Director Nancy Martinez stated currently the library is open 52 hours per week, the proposal is to reduce the hours of operation to 42 hours per week, and it is recommended that the \$85,000 book budget be suspended for the next year.

In response to Council Member Hansen, Mr. Ayers confirmed that the increase in library costs is primarily due to retirement, medical, and workers compensation costs, the total full-time staff is 12, and the proposed numbers do not take into account any concessions that may be received.

In response to Mayor Johnson, Ms. Martinez stated evening and weekend hours are filled with part-time staff and reducing part-time staff will result in a reduction of hours of operation. She further stated that some library funds have been restored through the Governor's May revise and some of those funds will be directed to the literacy program.

In response to Council Member Hansen, Mr. Bartlam stated the \$2 million fund balance in transit is the reserve amount used for capital projects. Mr. Bartlam stated the transit budget will not experience a reduction in hours because the revenues and expenditures align.

In response to Council Member Hansen, Traffic Engineer Paula Fernandez stated the \$300,000 American Recovery and Reinvestment Act grant is being utilized for the Lodi Transit Station, cameras are being installed at the parking structure, and buses are being replaced through the vehicle replacement fund.

In response to Council Member Hansen, Mr. Ayers confirmed that the total number of full-time employees in streets is currently 20 and the proposal recommends going down to 17.

In response to Mayor Johnson, Public Works Director Wally Sandelin stated the \$902,000 Hutchins Street Reconstruction Project includes the widening of Hutchins Street between Lodi Avenue and Pine Street.

A brief discussion ensued between Council Member Hansen and Mr. Bartlam regarding reducing the cumulative deficit for Community Development and the timing associated with the same.

In response to Council Member Hansen, Mr. Bartlam stated there are 9.5 staff members in Community Development currently.

In response to Mayor Johnson, Mr. Bartlam stated when development increases staff will continue to send plan checks out to the contract plan checker to alleviate strain on in-house staff.

In response to Council Member Hansen, Mr. Bartlam stated assuming no concessions there will be a \$900,000 deficit for Parks, Recreation and Cultural Services and he is working on a three-year plan with Parks, Recreation and Cultural Services Director James Rodems to reduce that deficit.

In response to Council Member Katzakian, Mr. Bartlam confirmed that the savings realized from combining the Community Center with Parks and Recreation is already accounted for in the proposed departmental budget.

In response to Council Member Hansen, Mr. Rodems stated a reduction in part-time staff will also result in a reduction of services such as the mowing of parks. Mr. Rodems stated field maintenance is generally built into the rental of facilities. He further stated it is too early to determine the revenue increase from the new field at the Grape Bowl.

In response to Mayor Johnson, Mr. Rodems stated there have been various personnel reductions at the Community Center and staff is now working on costing out programs for fee recovery. Further, Mr. Rodems stated the strategy is to book the new field as much as possible and while there may be a lull during summer there have been many inquiries for use of the field. He stated only one of the two high schools in town is using the new field because the other high school wishes to play at its campus and is focusing on maintaining its field.

In response to Council Member Hansen, Mr. Bartlam stated the contracting of parks maintenance may be a long-term view but it does not provide immediate relief for layoffs and the reduction of the budget.

In response to Myrna Wetzel, Ms. Fernandez stated upon replacement the larger buses will be auctioned off.

C. Comments by Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:40 a.m.

ATTEST:

Randi Johl
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2011/12 Budget
MEETING DATE: May 17, 2011
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive presentation regarding Fiscal Year 2011/12 budget

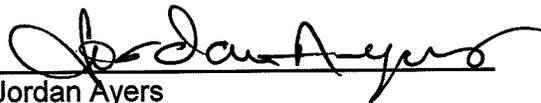
BACKGROUND INFORMATION: The Fiscal Year (FY) 2011/12 budget is built on a number of basic tenets, not the least of which is continued employee concessions. Currently, management is meeting with all labor groups to come to agreement on a package of concessions that will allow the City to present a balanced budget.

Staff will release a draft Fiscal Year 2011/12 budget later this week. The draft document includes a placeholder amount within each department/fund that is needed to bring the department/fund into balance. Staff will continue to refine the numbers as tentative agreements are reached with bargaining groups and will provide a revised, balanced budget document for Council adoption in June.

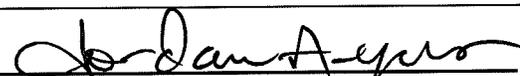
Staff is planning a series of presentations that will provide Council and the public with the basic parameters that form the foundation of the budget. The Shirtsleeve Session on May 3, 2011 focused on general economic issues the City is addressing in the budget process along with general fund revenue projections. The Shirtsleeve Session on May 10, 2011 focused on the Electric, Water and Wastewater Utilities.

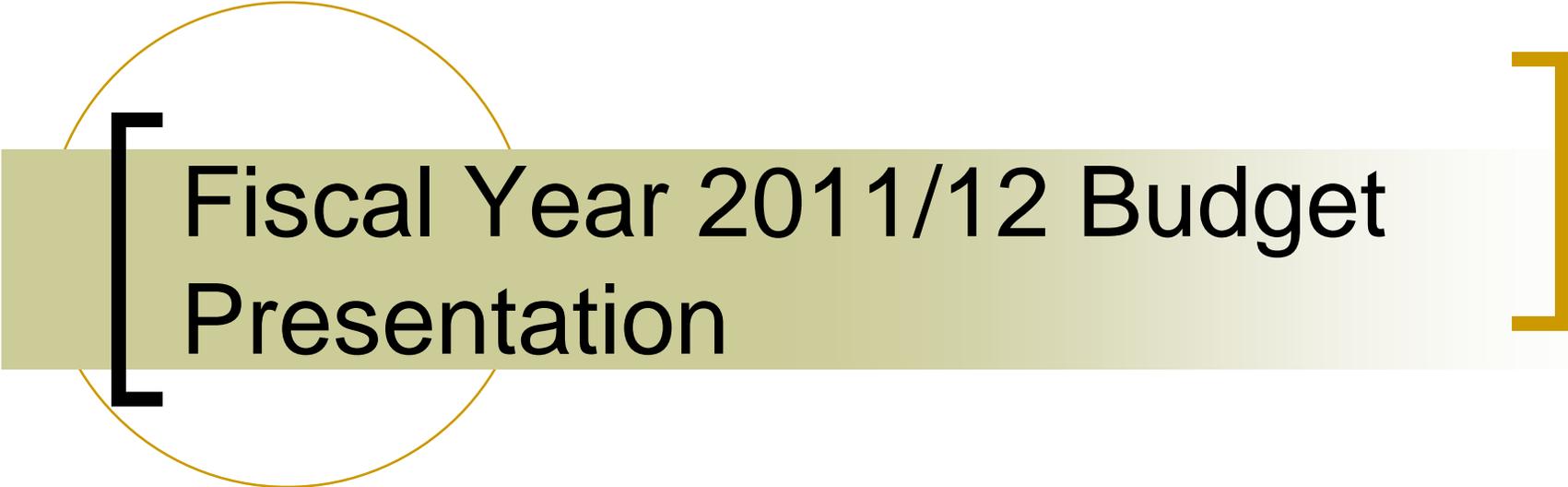
Today's discussion will focus on the special revenue funds of the City; the Library Fund, the Transit Fund, the Streets Fund, the Community Development Fund and the Parks, Recreation and Cultural Services Fund.

FISCAL IMPACT: Revenues for the Library Fund are projected to be \$1,400,720. Revenues for the Transit Fund are projected to be \$5,962,630. Revenues for the Streets Fund are projected to be \$3,998,860. Revenues for the Community Development Fund are projected to be \$1,297,930. Revenues for the Parks, Recreation and Cultural Services Fund are projected to be \$5,955,390. Projected expenses that will be presented represent a "worst case scenario," in that projected expenses have not been reduced for any concessions, early retirements or staff reductions that may occur.


Jordan Ayers
Deputy City Manager

JA/ja

APPROVED: 
Konradt Bartlam, City Manager



Fiscal Year 2011/12 Budget Presentation

City Council Shirtsleeve Session
May 17, 2011

[Overview]

- Special Revenue Funds
 - Library
 - Transit
 - Streets
 - Community Development
 - Parks, Recreation and Cultural Services

Library Overview

	Audited 2008-09 Actuals	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	2011-12 Budget
Library Fund					
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	685,687	11,903	9,974	49,996	53,139
Revenues	1,573,856	1,463,245	1,452,700	1,446,195	1,400,720
Expenditures	<u>2,247,640</u>	<u>1,425,152</u>	<u>1,436,146</u>	<u>1,443,052</u>	<u>1,426,950</u>
Net Difference (Revenues Less Expenditures)	(673,784)	38,093	16,554	3,143	(26,230)
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>11,903</u>	<u>49,996</u>	<u>26,528</u>	<u>53,139</u>	<u>26,909</u>

[Library]

- Total salary and benefit increase over FY 2010/11
 - \$144,012

[Library]

- Revenue reduction of \$57,000 due to loss of State grants
- Absent concessions, Library Board is recommending:
 - Reduction of part-time staff
 - Elimination of book budget
 - Closing an additional 10 hours per week

Transit Overview

	Audited 2008-09 Actuals	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	2011-12 Budget
Transit Fund					
<u>Fund Balance (Net Assets)</u>					
Beginning Fund Balance (Net Assets) Unreserved	1,883,660	1,826,897	2,165,636	2,002,105	1,881,255
Revenues	4,844,254	4,353,933	6,624,560	6,187,860	5,962,630
Expenditures	4,901,017	4,178,725	6,406,658	6,308,710	5,873,910
Net Difference (Revenues Less Expenditures)	(56,763)	175,208	217,902	(120,850)	88,720
<u>Fund Balance (Net Assets)</u>					
Ending Fund Balance (Net Assets) Unreserved	<u>1,826,897</u>	<u>2,002,105</u>	<u>2,383,538</u>	<u>1,881,255</u>	<u>1,969,975</u>

[Transit]

- Total salary and benefit increase over FY 2010/11
 - \$60,718

[Transit]

- Revenue and expense reductions related to federal stimulus-funded projects

[Transit Capital Projects]

- Solar project (\$1,000,000)
- Vehicle replacement (including automated farebox) (\$757,100)
- Security systems (\$393,500)
- Transit Station improvements (\$131,000)
- Bus stop/shelter amenities (\$50,000)

[Streets]

	Audited 2008-09 Actuals	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	2011-12 Budget
Street Fund					
<u>Fund Balance</u>					
Beginning Fund Balance	7,907,130	8,310,298	7,035,734	8,663,509	6,452,367
Revenues	4,054,484	5,062,427	5,690,150	7,717,570	3,998,860
Expenditures	<u>4,517,975</u>	<u>4,709,216</u>	<u>12,606,026</u>	<u>9,928,712</u>	<u>4,463,820</u>
Net Difference (Revenues Less Expenditures)	(463,491)	353,211	(6,915,876)	(2,211,142)	(464,960)
<u>Fund Balance</u>					
Ending Fund Balance	<u>7,443,639</u>	<u>8,663,509</u>	<u>119,858</u>	<u>6,452,367</u>	<u>5,987,407</u>

[Streets]

- Total salary and benefit increase over FY 2010/11
 - \$222,528

[Streets]

- Operating expenses almost in line with revenues
- Absent concessions, will be recommending elimination of up to three positions and additional restructuring

[Street Capital Projects]

- Cape seal project (\$1,000,000)
- Hutchins Street reconstruction (\$902,000)
- Traffic signal maintenance/ replacement (\$120,000)
- Sidewalk repairs/replacements (\$100,000)

[Community Development]

	Audited 2008-09 Actuals	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	2011-12 Budget
Community Development Fund					
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	(702,127)	(921,716)	(566,223)	(838,657)	(270,512)
Revenues	1,126,039	1,098,577	1,102,990	1,593,681	1,297,930
Expenditures	<u>1,345,628</u>	<u>1,015,518</u>	<u>1,065,500</u>	<u>1,025,536</u>	<u>1,216,270</u>
Net Difference (Revenues Less Expenditures)	(219,589)	83,059	37,490	568,145	81,660
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>(921,716)</u>	<u>(838,657)</u>	<u>(528,733)</u>	<u>(270,512)</u>	<u>(188,852)</u>

[Community Development]

- Total salary and benefit increase over FY 2010/11
 - \$149,306

[Community Development]

- Revenues exceed current year expenses
 - Reducing cumulative deficit
 - Concession amounts will further reduce cumulative deficit

[Parks, Rec & Cultural Services]

	Audited 2008-09 Actuals	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	2011-12 Budget
Parks, Recreation & Cultural Svcs Fund					
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	-	(177,801)		(506,981)	(514,128)
Revenues	3,620,592	3,540,192	3,757,370	3,727,700	5,955,390
Expenditures	<u>3,798,393</u>	<u>3,869,372</u>	<u>3,774,208</u>	<u>3,734,847</u>	<u>6,348,150</u>
Net Difference (Revenues Less Expenditures)	(177,801)	(329,180)	(16,838)	(7,147)	(392,760)
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>(177,801)</u>	<u>(506,981)</u>	<u>(16,838)</u>	<u>(514,128)</u>	<u>(906,888)</u>

[Parks, Rec & Cultural Services]

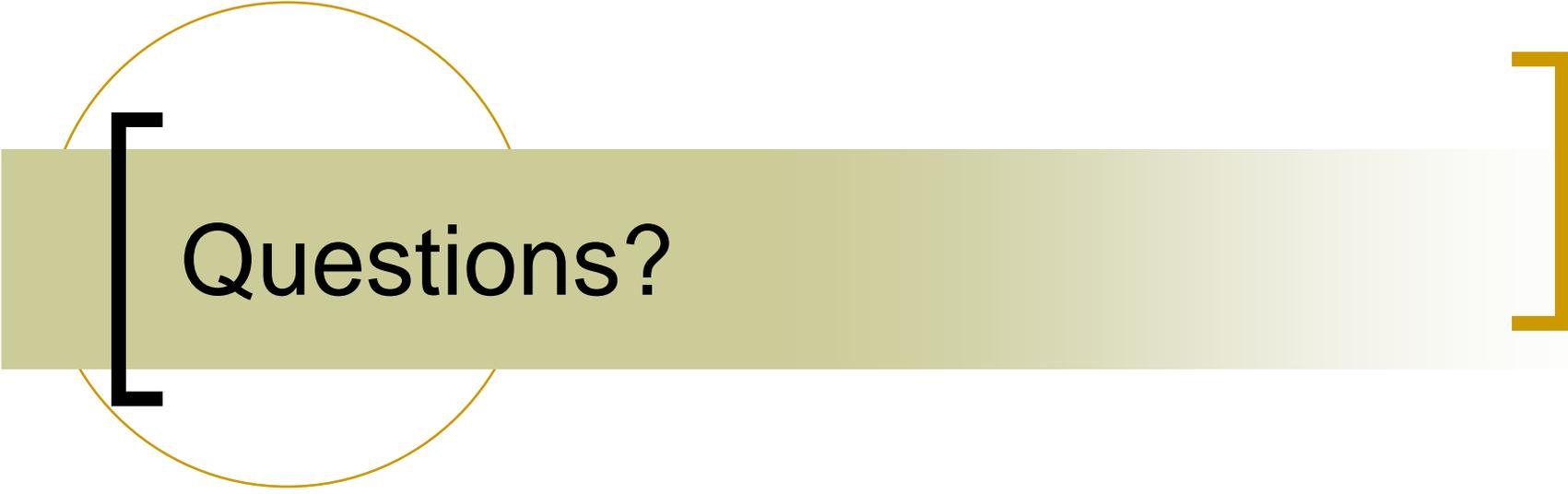
- Total Salary and Benefit increase over FY 2010/11
 - \$392,760

[Parks, Rec & Cultural Services]

- Total revenue of \$5,955,390 includes General Fund transfer of \$3,881,520
 - 65% of total funding
 - Consistent with prior year transfers associated with Recreation and Community Center
 - Also includes former General Fund costs associated with Parks

[Parks, Rec & Cultural Services]

- Will be recommending:
 - Elimination of Admin Clerk position
 - Reduction of part-time hours
- Absent concessions, will be recommending elimination of up to 5 positions



Questions?