

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 24, 2011**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 24, 2011, commencing at 7:00 a.m.

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

Absent: Council Member Nakanishi

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 the general fund departments including police, fire, public works, administration, internal services, and non-departmental. Additional topics of discussion included staffing, major cost increases, concessions, and capital outlay.

In response to Council Member Hansen, Mr. Ayers stated the medical cost projections are based on history and usage, actual numbers will be received in September, and a true-up will occur at mid-year review.

In response to Mayor Pro Tempore Mounce, Mr. Ayers stated the contingency plan if the 12% projection is off is the true-up at mid-year after the actual numbers are received. Mr. Bartlam stated the reserves are a last case scenario and differences, if any, would likely be resolved through salary savings by way of natural progression.

In response to Council Member Hansen, Mr. Ayers confirmed there are 73 sworn personnel in the Police Department assuming there are no reductions due to lack of concessions.

In response to Council Member Hansen and Mayor Pro Tempore Mounce, Mr. Ayers and Mr. Bartlam confirmed there are currently 23 dispatchers, one will be lost through early retirement leaving 22, and two could be lost due to a lack of concessions leaving 20, which will leave one supervisor and two leads in the unit.

In response to Mayor Johnson, City Attorney Schwabauer confirmed there are two early retirements pending in the Fire Department and a third position will likely be lost due to a pending transfer to another agency.

In response to Mayor Johnson, Mr. Ayers stated the total number of retirements through the early retirement incentive is 14.

In response to Council Member Hansen, Mr. Ayers confirmed the current and previous year's reduction to the Downtown Lodi Business Partnership and San Joaquin Partnership of 15%. Mr. Ayers stated any reductions to Visit Lodi must be done through its contract, which currently requires the City to pay it 19% of transient occupancy tax for a five-year period.

In response to Council Member Hansen, Mr. Ayers stated currently some reimbursement is received for overtime and other staffing and department costs associated with the Grape Festival but not other similar events.

In response to Mayor Pro Tempore Mounce, Mr. Ayers stated the cost recovery is accounted for in the non-departmental although the narrative is provided under the economic development section.

In response to Council Member Hansen, Mr. Ayers stated the increase in the County's property tax administration fee is based on a formula that is somewhat of a mystery, the allocation base is currently under litigation, and the City is under a tolling agreement for the fee.

In response to Mayor Pro Tempore Mounce, Mr. Schwabauer confirmed there are no costs to the City for the litigation as the tolling agreement currently covers the City and litigation should be resolved this year.

In response to Mayor Johnson and Council Member Katzakian, Mr. Ayers stated the \$660,000 debt service for Hutchins Street Square, which retires in 2032, is accounted for in the general fund and the department budget.

In response to Mayor Johnson, Mr. Ayer stated he is hopeful that staff will be able to begin the financial system project in the 2012/13 year based upon the current and proposed funding availability.

In response to Mayor Johnson, Mr. Bartlam stated with respect to the current status of Fire Station No. 2, staff is in discussions with a property owner for a potential relocation site, the new Interim Fire Chief is looking at alternatives including a rebuild at the current site, the ready-made modular station remains available, and they are still several months away from a final decision on the project.

In response to Council Member Hansen, Mr. Bartlam stated the \$75,000 is needed to replace the carpeting in City Hall because it is so old and worn that there are concerns about safety and trip hazards.

In response to Myrna Wetzel, Mr. Bartlam stated the staffing minimum for engines in the Fire Department is three.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:36 a.m.

ATTEST:

Randi Johl
City Clerk



DECLARATION OF POSTING

On Thursday, May 19, 2011, in the City of Lodi, San Joaquin County, California, a copy of the May 24, 2011, Shirtsleeve Session Meeting agenda (attached and marked as Exhibit A) was posted at 437 E. Elm Street, Lodi.

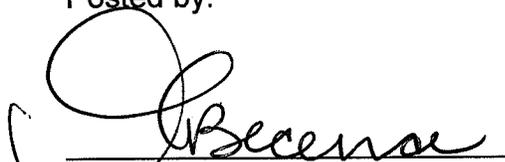
I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 19, 2011, at Lodi, California.

ORDERED BY:

**RANDI JOHL
CITY CLERK**

Posted by:



MARIA BECERRA
ADMINISTRATIVE CLERK



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2011/12 Budget
MEETING DATE: May 24, 2011
PREPARED BY: Deputy City Manager

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

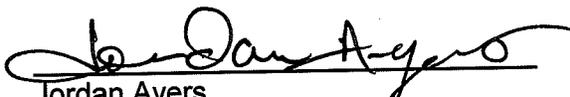
BACKGROUND INFORMATION: The Fiscal Year (FY) 2011/12 budget is built on a number of basic tenets, not the least of which is continued employee concessions. Currently, management is meeting with all labor groups to come to agreement on a package of concessions that will allow the City to present a balanced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

Staff released the draft FY 2011/12 budget last 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. Should any bargaining unit not provide concessions, or provide concessions in an amount less than that needed to balance the budget, staff will present position lay-offs necessary to balance the budget.

Staff has conducted a series of presentations that provided 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 discussed the Electric, Water and Wastewater Utilities. The Shirtsleeve Session on May 17, 2011 addressed the Library Fund, the Transit Fund, the Streets Fund, the Community Development Fund and the Parks, Recreation and Cultural Services Fund.

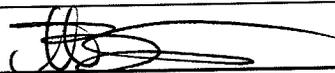
Today's discussion will focus on the expenditure side of the General Fund.

FISCAL IMPACT: Staff is presenting a balanced General Fund, with revenues and expenditures equaling \$41,255,340. Projected expenses that will be presented represent a "worst case scenario," in that projected expenditures have not been reduced for any concessions, early retirements or staff reductions that may occur.

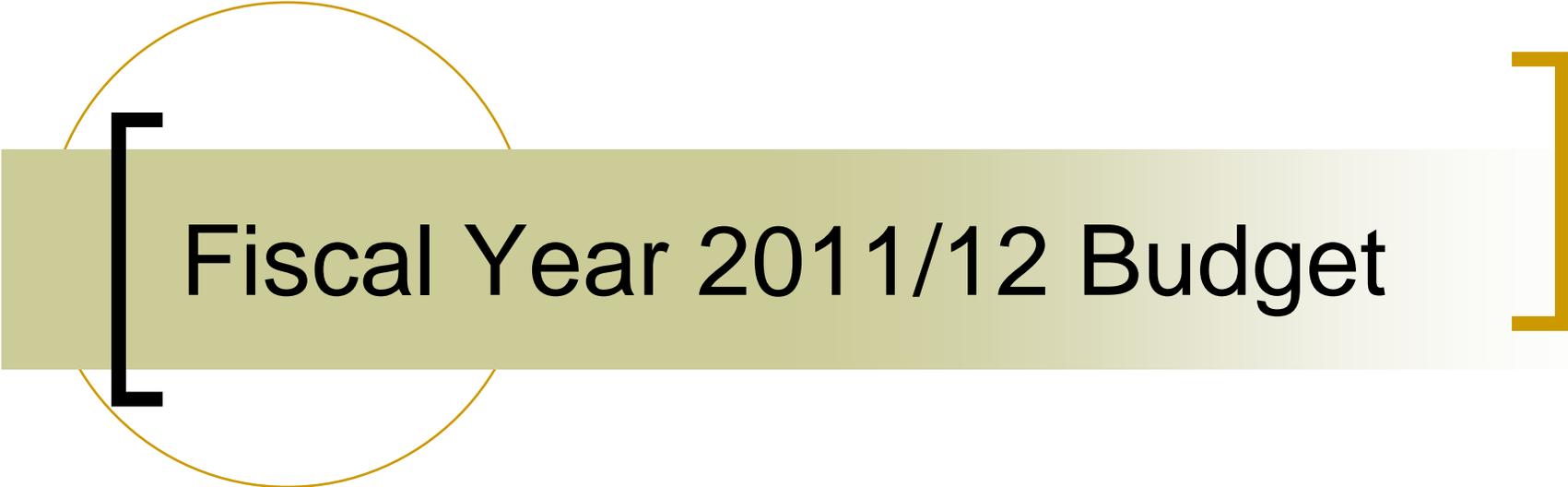

Jordan Ayers
Deputy City Manager

JA/ja

APPROVED:



Konradt Bartlam, City Manager



Fiscal Year 2011/12 Budget

City Council Shirtsleeve Session
May 24, 2011

[Overview]

- General Fund Departments
 - Police
 - Fire
 - Public Works
 - Administration
 - Internal Services
 - Non-Departmental

General Fund Overview

	Audited 2008-09 Actuals	Audited 2009-10 Actuals	2010-11 Budget	Estimated 2010-11 Actuals	2011-12 Budget
General Fund					
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	4,159,007	3,383,191	3,831,962	3,896,576	3,961,428
Revenues	41,015,454	40,547,920	41,321,750	41,321,690	41,255,340
Expenditures	41,791,270	40,034,535	41,371,750	41,256,838	41,255,340
Net Difference (Revenues Less Expenditures)	(775,816)	513,385	(50,000)	64,852	-
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	3,383,191	3,896,576	3,781,962	3,961,428	3,961,428

[Staffing]

Fiscal Year	Authorized	Funded
2009/10	262	236
2010/11	260	234
2011/12	259	223

Excluding Parks

[Major Cost Increases]

- Total salary and benefit cost increase over FY 2010/11
 - \$4,238,000
- Drivers of major cost increases
 - Worker's Comp \$1,202,190
 - PERS Retirement \$850,700
 - PERS Medical \$354,080

[Police]

- Total salary and benefit increase over FY 2010/11
 - \$2,132,870
 - 108 funded positions
 - 5 less than prior year
 - All non-sworn

[Police]

- Concessions agreements from all bargaining groups except Police Officers Association and Dispatch on June 1 agenda
- Absent concessions from these groups, will be recommending:
 - Elimination of 4 positions in Police
 - Elimination of 2 positions in Dispatch

[Fire]

- Total salary and benefit increase over FY 2010/11
 - \$1,076,530
 - 59 funded positions
 - 1 less than prior year
 - Due to early retirement
- Concession agreements with all groups on June 1 agenda
 - Lodi Professional Firefighters concession to eliminate three positions

[Public Works]

- Total salary and benefit increase over FY 2010/11
 - \$286,630
 - 15 funded positions
 - 3 less than prior year
 - Due to early retirements
- Concession agreements with all groups on June 1 agenda

[Administration]

- Includes City Clerk, City Attorney, City Manager and Economic Development
- Total salary and benefit increase over FY 2010/11
 - \$271,930
 - 12 funded positions
 - 1 less than prior year
- Concession agreements approved on May 4

[Administration]

- Includes reducing contributions by 15% to:
 - DLBP (proposed funding \$24,230)
 - San Joaquin Partnership (proposed funding \$25,290)

[Internal Services]

- Total salary and benefit increase over FY 2010/11
 - \$470,030
 - 29 funded positions
 - 1 less than prior year
 - Due to early retirement
- Concession agreements with all groups on June 1 agenda

[Non-Departmental]

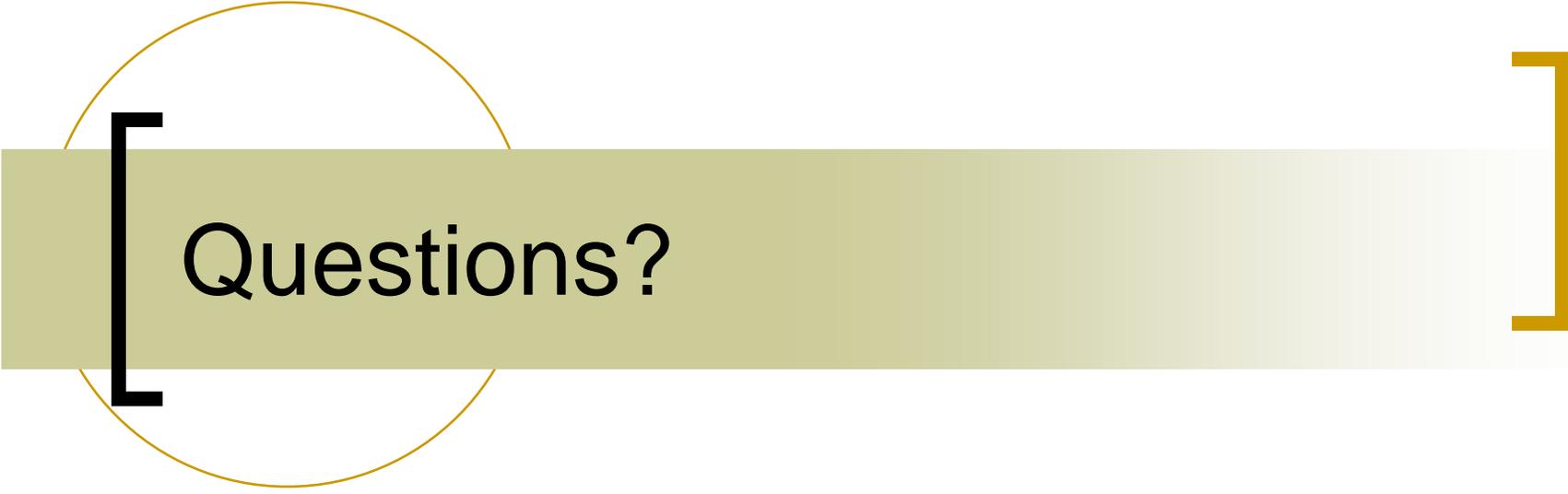
- Total appropriation \$9,067,890
- No staff
- Consists of:
 - City paid utilities (\$1,304,300)
 - Arts Grants (\$36,120)
 - Support for Community Events (\$65,020)
 - Consulting/Audit/Property Tax Fees (\$501,500)
 - DIVCA expenses (\$98,850)
 - Transfers to other funds (\$7,998,070)

[Non-Departmental]

To	Amount
PRCS	\$3,881,520
Library	\$1,349,180
Debt Service	\$1,008,820
Capital Outlay	\$988,750
Streets	\$554,600
Community Dev	\$150,200
IT Replacement	\$65,000
Total	\$7,998,070

[Capital Outlay]

Purpose	Amount
Fire Station #2 Allocation	\$449,370
Reserve for Financial System Replacement	\$300,000
Various projects	\$239,380
Total	\$988,750



Questions?