

**LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, MAY 8, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 8, 2012, commencing at 7:00 a.m.

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

Absent: None

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

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2012/13 Budget (CM)

Deputy City Manager/Finance Director Jordan Ayers provided a PowerPoint presentation regarding the Fiscal Year 2012/13 budget. Specific topics of discussion included an overview of special revenue funds including fund balances, revenues and expenditures for Library, Transit, Streets, Community Development, and Parks, Recreation and Cultural Services. City Manager Bartlam also discussed potential program changes for Parks, Recreation and Cultural Services.

In response to Council Member Hansen, Mr. Ayers stated a few Library-related claims were paid out during the last year for which there will be no future allocations, which is why the Library expenses will be lower. Mr. Ayers stated there are 12 full-time budgeted positions in the Library.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated staff will provide the City Council with the requested numbers showing the unfunded liability amount per employee if the exact departmental liability amounts are unavailable.

In response to Council Member Johnson, Mr. Ayers stated the Measure K increase shown in transit is the result of a budgetary understatement and adjustment.

In response to Council Member Hansen, Mr. Bartlam stated the Measure K adjustment is going toward overall expenses and is not being segregated out for specific use.

In response to Council Member Hansen, Mr. Bartlam stated the MV Transportation contract was renegotiated for a lower amount, which is why there is a decrease in expenditures for that item.

In response to Council Member Johnson, Traffic Engineer Paula Fernandez stated the fare box revenue amount is 6% and provided an overview of the fare box recapture and recovery amount for the City.

In response to Council Member Hansen, Ms. Fernandez stated staff will provide to the City Council as requested the costs and savings amount to the City as it relates to the solar project.

In response to Mayor Pro Tempore Nakanishi, Ms. Fernandez stated there are three full-time employees in the transit division.

In response to Council Member Hansen, Mr. Ayers stated the \$3.5 million reduction in transit is a combined result of reduced revenues and reduced expenses.

In response to Mayor Mounce, Deputy Public Works Director Charlie Swimley stated a sidewalk survey is being conducted this summer and staff will program suggested repairs as necessary based on the results of the survey. Mr. Swimley stated generally large arterials and major traffic flows are considered when scheduling improvements.

In response to Council Member Hansen, Mr. Swimley stated the Lockeford project will be funded in 2013/14.

In response to Mayor Pro Tempore Nakanishi, Mr. Swimley stated there are 13 employees in the Streets Division and, depending upon the size and complexity of the project, some of the work is done in-house by the employees instead of contractors.

In response to Council Member Johnson, Mr. Bartlam and City Attorney Schwabauer confirmed that the Walmart project is proceeding with engineering as if the project is going forward and June 4, 2012, is the deadline for the California Supreme Court review. Mr. Bartlam stated the developer of the Sutter Gould project is also moving forward in planning and development.

In response to Council Member Hansen, Mr. Ayers stated the details regarding employee retirement contributions and health care costs will be included in the draft budget document, which will be released next week.

In response to Council Member Hansen, Mr. Bartlam stated the overall goal for Community Development is to carry a 15% fund balance, which is similar to the General Fund.

In response to Council Member Hansen, Interim Parks, Recreation and Cultural Services Director Jeff Hood and Mr. Bartlam confirmed there is a correlation between participation levels and the decreased revenue numbers for programs in Parks and Recreation and that the current numbers are more realistic than prior years.

In response to Mayor Mounce and Mayor Pro Tempore Nakanishi, Mr. Bartlam stated staff will provide to the City Council as requested the comparison data for General Fund contributions to Parks and Recreation in other communities. Council Members Johnson and Hansen also requested information regarding Parks and Recreation capital facilities in other communities and related funding information.

In response to Council Member Hansen, Mr. Hood confirmed that there are 29 full-time employees and 200 part-time employees in Parks, Recreation and Cultural Services and that the part-time employees include lifeguards, referees, and coaches.

In response to Council Member Hansen, Mr. Bartlam and Mr. Hood confirmed that there are approximately 200 kids in the after school program operated on four different school sites from 2:00 p.m. to 6:00 p.m. with a \$115 monthly charge per child.

In response to Council Member Hansen, Mr. Hood stated the parent survey regarding increasing the monthly fee from \$115 to \$150 received mixed reviews and the school district has not provided any feedback regarding taking over the program or reducing the site rental fee.

In response to Council Member Johnson, Mr. Hood stated the parents were notified in a previous letter of the difficulty with the site rental fee assessed by the school district and the program would not be self-sustaining even if the monthly fee was increased to \$120 from \$115.

In response to Mayor Mounce, Mr. Hood stated the reduction in the rental fee spoken of at the last 2x2x2 meeting was in relation to a retroactive credit for a previous overcharge and there is no

reduction going into the future.

Ed Miller spoke in regard to his concerns about the Lodi Lake surface improvement project and asked that at the conclusion of negotiations he be provided a matrix showing the salary and benefits for all employees. A brief discussion ensued regarding the status of the parking lot and related improvements at Lodi Lake and the funding associated with the project.

In response to Myrna Wetzel, Ms. Fernandez stated the parking structure security project is in design and will be awarded in September and the City Hall carpet will be replaced in the summer.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:00 a.m.

ATTEST:

Randi Johl  
City Clerk



**CITY OF LODI  
COUNCIL COMMUNICATION**

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**AGENDA TITLE:** Receive Presentation Regarding Fiscal Year 2012/13 Budget  
**MEETING DATE:** May 8, 2012  
**PREPARED BY:** Deputy City Manager

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**RECOMMENDED ACTION:** Receive presentation regarding Fiscal Year 2012/13 budget.

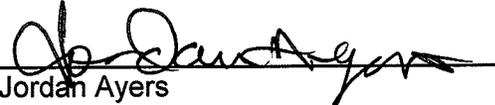
**BACKGROUND INFORMATION:** The Fiscal Year (FY) 2012/13 budget is built on a number of basic tenets, including new labor agreements with almost all of our bargaining groups. We have reached agreements with all bargaining groups except the Police Officers Association and the Dispatchers Association. Discussions are ongoing with both of these groups.

The budget is on schedule to be released for public review next week, with adoption of the document scheduled for early June.

In advance of publication of the document, 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 1, 2012 focused on general economic issues the City is addressing in the budget process along with general fund revenue projections.

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.

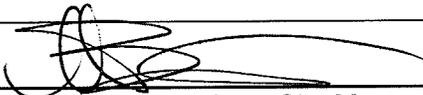
**FISCAL IMPACT:** Revenues for the Library Fund are projected to be \$1,427,430. Revenues for the Transit Fund are projected to be \$5,080,550. Revenues for the Streets Fund are projected to be \$4,295,920. Revenues for the Community Development Fund are projected to be \$1,176,670. Revenues for the Parks, Recreation and Cultural Services Fund are projected to be \$5,832,550. All funds are budgeted to operate within their revenue streams without drawing down reserves.

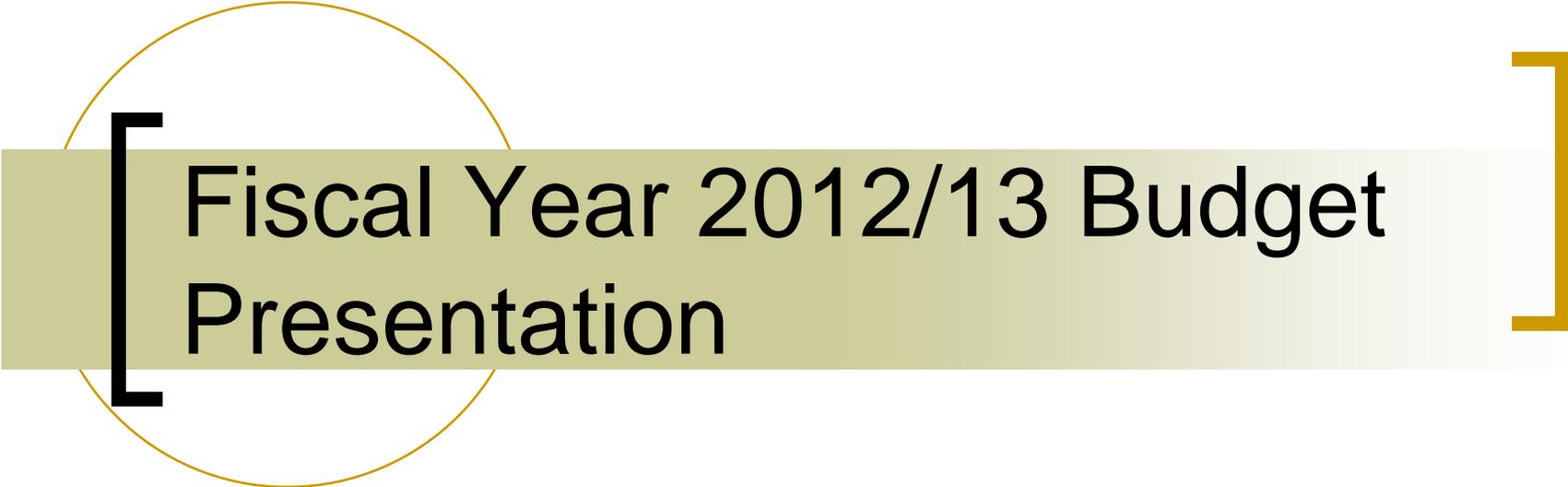
  
Jordan Ayers  
Deputy City Manager

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APPROVED:

  
Konradt Bartlam, City Manager



# Fiscal Year 2012/13 Budget Presentation

City Council Shirtsleeve Session  
May 8, 2012

# [ Overview ]

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

# Library Overview

|   | Audited<br>2009-10<br>Actuals | Audited<br>2010-11<br>Actuals | 2011-12<br>Budget | Estimated<br>2011-12<br>Actuals | 2012-13<br>Budget |
|---|-------------------------------|-------------------------------|-------------------|---------------------------------|-------------------|
| <b>Library Fund</b>                         |                               |                               |                   |                                 |                   |
| <u>Fund Balance</u>                         |                               |                               |                   |                                 |                   |
| Beginning Fund Balance Unreserved           | 11,903                        | 49,996                        | 53,139            | 56,458                          | 41,078            |
| Revenues                                    | 1,463,245                     | 1,456,696                     | 1,430,620         | 1,440,620                       | 1,427,430         |
| Expenditures                                | <u>1,425,152</u>              | <u>1,450,234</u>              | <u>1,446,000</u>  | <u>1,456,000</u>                | <u>1,420,530</u>  |
| Net Difference (Revenues Less Expenditures) | 38,093                        | 6,462                         | (15,380)          | (15,380)                        | 6,900             |
| <u>Fund Balance</u>                         |                               |                               |                   |                                 |                   |
| Ending Fund Balance Unreserved              | <u>49,996</u>                 | <u>56,458</u>                 | <u>37,759</u>     | <u>41,078</u>                   | <u>47,978</u>     |

# [ Library ]

- Revenues \$3,190 lower than FY 2011/12 budget
  - General Fund transfer \$1,349,180
  - Same as prior year
- Expenditures \$25,470 lower than FY 2011/12 budget
  - Salary & benefit increase - \$22,720
  - Services & supply decrease - \$48,190
    - Books - \$25,000 lower
    - Insurance - \$19,680 lower

# [ Transit Overview ]

|  | Audited<br>2009-10<br>Actuals | Audited<br>2010-11<br>Actuals | 2011-12<br>Budget | Estimated<br>2011-12<br>Actuals | 2012-13<br>Budget |
|--|-------------------------------|-------------------------------|-------------------|---------------------------------|-------------------|
| <b>Transit Fund</b>                            |                               |                               |                   |                                 |                   |
| <u>Fund Balance (Net Assets)</u>               |                               |                               |                   |                                 |                   |
| Beginning Fund Balance (Net Assets) Unreserved | 1,826,897                     | 2,002,105                     | 1,881,256         | 2,509,652                       | 3,301,731         |
| Revenues                                       | 4,353,933                     | 4,068,380                     | 8,257,014         | 8,085,372                       | 5,080,550         |
| Expenditures                                   | 4,178,725                     | 3,560,833                     | 8,166,082         | 7,293,293                       | 4,690,760         |
| Net Difference (Revenues Less Expenditures)    | 175,208                       | 507,547                       | 90,932            | 792,079                         | 389,790           |
| <u>Fund Balance (Net Assets)</u>               |                               |                               |                   |                                 |                   |
| Ending Fund Balance (Net Assets) Unreserved    | 2,002,105                     | 2,509,652                     | 1,972,188         | 3,301,731                       | 3,691,521         |

# [ Transit ]

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- Revenue \$3.2M lower than FY 2011/12 budget
  - \$2.0M UMTA
  - \$1.0M Prop 1B
  - \$521k ARRA
  - Measure K increase of \$342k

# [ Transit ]

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- Expenses \$3.5M lower than FY 2011/12 budget
  - \$3.2M attributable to capital projects
  - \$150K Purchased Transportation reduction

# [ Transit Capital Projects ]

- Security systems (\$478,000)
- Solar project (\$400,000)
- Bus stop/shelter improvements (\$200,000)
- Transit Station improvements (\$236,000)
- Automated fare box equipment (\$60,000)

# [ Streets ]

|   | Audited<br>2009-10<br>Actuals | Audited<br>2010-11<br>Actuals | 2011-12<br>Budget | Estimated<br>2011-12<br>Actuals | 2012-13<br>Budget |
|---|-------------------------------|-------------------------------|-------------------|---------------------------------|-------------------|
| <b>Street Fund</b>                          |                               |                               |                   |                                 |                   |
| <u>Fund Balance</u>                         |                               |                               |                   |                                 |                   |
| Beginning Fund Balance                      | 8,310,298                     | 8,663,509                     | 6,452,367         | 7,589,026                       | 9,312,492         |
| Revenues                                    | 5,062,427                     | 7,581,239                     | 5,704,197         | 5,158,381                       | 4,295,920         |
| Expenditures                                | <u>4,709,216</u>              | <u>8,655,722</u>              | <u>7,044,666</u>  | <u>3,434,915</u>                | <u>3,577,690</u>  |
| Net Difference (Revenues Less Expenditures) | 353,211                       | (1,074,483)                   | (1,340,469)       | 1,723,466                       | 718,230           |
| <u>Fund Balance</u>                         |                               |                               |                   |                                 |                   |
| Ending Fund Balance                         | <u>8,663,509</u>              | <u>7,589,026</u>              | <u>5,111,898</u>  | <u>9,312,492</u>                | <u>10,030,722</u> |

# [ Streets ]

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- Revenues \$1.4M lower than FY 2011/12 budget
  - Federal Grants \$780,000
  - Measure K \$390,000

# [ Streets ]

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- Expenditures \$3.5M lower than FY 2011/12
  - Unfund MW III position due to retirement
  - \$2.9M reduction in Capital Projects
  - \$500k reduction in Services and Supply accounts

# [ Street Capital Projects ]

- Ham Lane (Turner to Lockeford) (\$732,000)
- Mills Ave (Kettleman to Jamestown) (\$520,000)
- Traffic signal maintenance/ replacement (\$390,000)
- Seal/Stripe/Maintain (\$288,000)
- City Hall Parking Lot resurface (\$150,000)
- Sidewalk repairs/replacements (\$95,000)

# Community Development

|   | Audited<br>2009-10<br>Actuals | Audited<br>2010-11<br>Actuals | 2011-12<br>Budget | Estimated<br>2011-12<br>Actuals | 2012-13<br>Budget |
|---|-------------------------------|-------------------------------|-------------------|---------------------------------|-------------------|
| <b>Community Development Fund</b>           |                               |                               |                   |                                 |                   |
| <u>Fund Balance</u>                         |                               |                               |                   |                                 |                   |
| Beginning Fund Balance Unreserved           | (921,716)                     | (838,657)                     | (270,512)         | 66,810                          | 303,367           |
| Revenues                                    | 1,098,577                     | 1,877,386                     | 1,297,930         | 1,335,371                       | 1,176,670         |
| Expenditures                                | <u>1,015,518</u>              | <u>971,919</u>                | <u>1,110,500</u>  | <u>1,098,814</u>                | <u>1,166,550</u>  |
| Net Difference (Revenues Less Expenditures) | 83,059                        | 905,467                       | 187,430           | 236,557                         | 10,120            |
| <u>Fund Balance</u>                         |                               |                               |                   |                                 |                   |
| Ending Fund Balance Unreserved              | <u>(838,657)</u>              | <u>66,810</u>                 | <u>(83,082)</u>   | <u>303,367</u>                  | <u>313,487</u>    |

# [ Community Development ]

- Revenues \$121,060 lower than FY 2011/12 budget
  - General Fund subsidy reduced \$40,000
  - Correction to Reimbursable Charges \$75,000

# [ Community Development ]

- Expenditures \$56,050 higher than FY 2011/12
  - Salary & benefits increase \$51,500

# [ Parks, Rec & Cultural Services ]

|   | Audited<br>2009-10<br>Actuals | Audited<br>2010-11<br>Actuals | 2011-12<br>Budget | Estimated<br>2011-12<br>Actuals | 2012-13<br>Budget |
|---|-------------------------------|-------------------------------|-------------------|---------------------------------|-------------------|
| <b>Parks, Recreation &amp; Cultural Svcs Fund</b> |                               |                               |                   |                                 |                   |
| <u>Fund Balance</u>                               |                               |                               |                   |                                 |                   |
| Beginning Fund Balance Unreserved                 | (177,801)                     | (506,981)                     | (514,128)         | (846,381)                       | (815,032)         |
| Revenues  | 3,540,192                     | 3,454,406                     | 5,955,390         | 5,956,951                       | 5,832,550         |
| Expenditures                                      | <u>3,869,372</u>              | <u>3,793,806</u>              | <u>5,925,602</u>  | <u>5,925,602</u>                | <u>5,823,440</u>  |
| Net Difference (Revenues Less Expenditures)       | (329,180)                     | (339,400)                     | 29,788            | 31,349                          | 9,110             |
| <u>Fund Balance</u>                               |                               |                               |                   |                                 |                   |
| Ending Fund Balance Unreserved                    | <u>(506,981)</u>              | <u>(846,381)</u>              | <u>(484,340)</u>  | <u>(815,032)</u>                | <u>(805,922)</u>  |

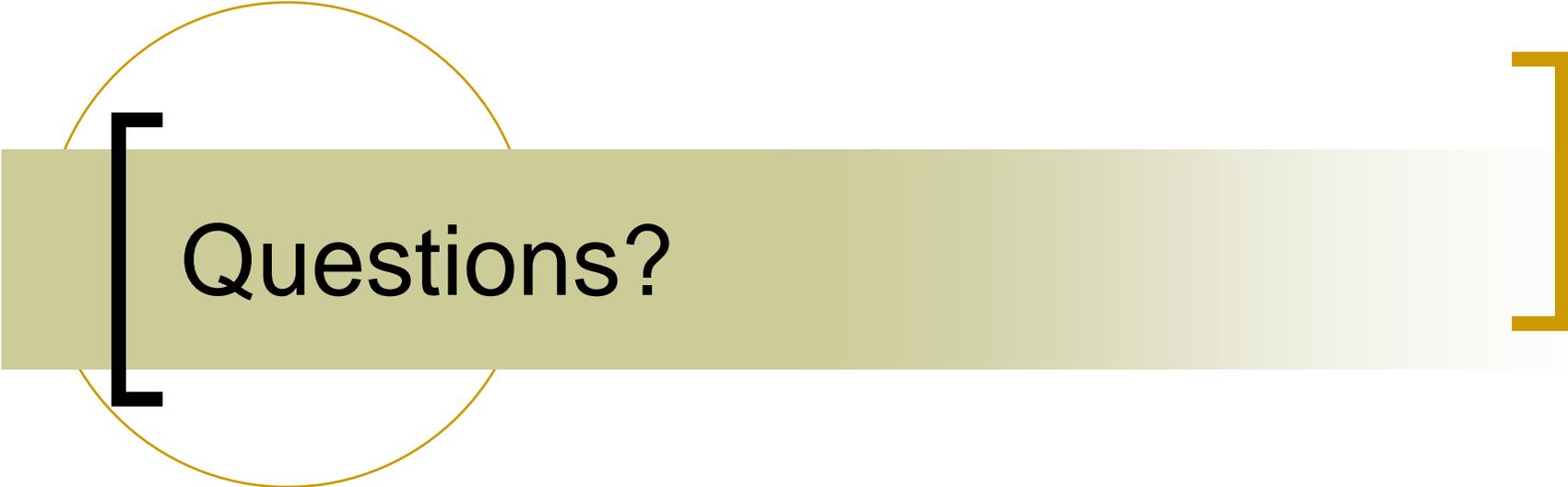
# [ Parks, Rec & Cultural Services ]

- Revenues \$122,840 lower than FY 2011/12 budget
  - General Fund transfer of \$3,881,140
    - 66% of total funding
  - Most programs showing reduced revenue streams

|                                   |                      |
|-----------------------------------|----------------------|
| Specialty Classes - \$20K         | Adult Sports - \$10K |
| Box Office – \$25K                | Youth Sports - \$15K |
| Playgrounds - \$21K               | Aquatics - \$9K      |
| Indoor/Outdoor Activities - \$20K |                      |

# [ Parks, Rec & Cultural Services ]

- Expenditures \$102,162 lower than FY 2011/12 budget
  - Salary & benefits reduction \$44,000
    - Reduction of 1 position due to retirement; offset by increase in part-time hours
  - Service & supply accounts reduced \$76,000
  - Vehicle/turf replacement increased \$14,000



Questions?