

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 22, 2012**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 22, 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 Jordan Ayers provided a PowerPoint presentation regarding the Fiscal Year 2012/13 budget. Specific topics of discussion included an overview of the General Fund departments including Police, Fire, Public Works, Administration, Internal Services, and non-departmental, departmental funding, fund balances, position changes, salary and benefits, services and supplies, and capital outlay.

In response to Mayor Mounce, Mr. Bartlam stated the main capital project that was not funded was the financial system upgrade.

In response to Mayor Pro Tempore Nakanishi, City Manager Bartlam stated the majority of the increases are in salary and benefits.

In response to Council Member Johnson, Mr. Bartlam stated during the last few years the majority of the capital outlay fund has been used for emergency repairs and now that the emergencies appear to have passed there is more of a focus on the financial system upgrade.

In response to Council Member Hansen, Mr. Ayers confirmed that there are some funds set aside for the financial software system but it is not enough.

In response to Council Member Hansen, Mr. Ayers stated that, without an agreement with the bargaining groups, the City will default to the old agreement with those whose concession agreements have expired.

In response to Council Member Hansen, Mr. Ayers stated last year \$220,000 was spent on vehicle replacement and this year only \$30,000 is budgeted for one vehicle.

In response to Council Member Hansen, Mr. Ayers stated all six positions for Police proposed to be unfunded are currently vacant. Mr. Ayers stated the positions could be funded at a later date if agreements are reached as savings are realized.

In response to Mayor Mounce, Mr. Ayers stated last year three of the six proposed positions in Police were used for concession purposes.

In response to Mayor Mounce, Fire Chief Larry Rooney stated he feels that the proposed Fire Department budget recommendation is sufficient for now as the department continues to evaluate

its needs throughout the year.

In response to Council Member Hansen, Mr. Ayers stated the additional associate engineer position is funded and accounted for in the total \$11,000 figure.

In response to Mayor Mounce, City Clerk Johl stated the two factors that could affect the \$65,000 figure for the general election are the number of candidates and unfunded mandates trickling down to the local agencies for absentee voting.

In response to Council Member Johnson, Mr. Ayers stated the approximate value of the 3% deferred compensation match is \$900,000.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated there are no increases to any organizational funding other than Visit Lodi and that increase is based on a contractual pro rata formula of the Transit Occupancy Tax (TOT).

Mayor Mounce suggested reviewing the contract between the City of Lodi and Visit Lodi to evaluate the current formula and overall need for City contribution if the TOT is increasing.

In response to Mayor Mounce, Mr. Ayers stated the Arts Grants could be moved to Economic Development if so desired because they are both General Fund monies.

In response to Mayor Pro Tempore Nakanishi, Mr. Ayers stated the General Fund debt service is approximately \$1.6 million for the 2002 bond issue for the public safety building, Hutchins Street Square, and the School Street renovation project.

In response to Council Member Hansen, Mr. Bartlam stated the old jail facility is still used by the City for storage space for equipment.

A brief discussion ensued amongst Council Member Hansen, Mayor Mounce, and Mr. Ayers regarding researching options for outsourcing the City's billing component as a cost savings measure.

In response to Mayor Pro Tempore Nakanishi, Mr. Bartlam stated that, while the Hutchins Street Square Foundation no longer directly contributes to the debt obligation, the Foundation does help raise funds for repairs at the facility.

In response to Myrna Wetzel, Police Chief Mark Helms stated there are four K-9 officers, \$6,000 is budgeted for maintenance of the dogs, and the officers receive 4.5% premium pay in addition to their regular salary for additional K-9 officer related responsibilities.

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

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:45 a.m.

ATTEST:

Randi Johl
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2012/13 Budget
MEETING DATE: May 22, 2012
PREPARED BY: Deputy City Manager

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 will all bargaining groups except the Police Officers Association and the Dispatchers Association. Discussions are on-going with both of these groups.

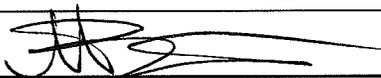
Staff released the draft FY 2012/13 budget last week. The draft document shows total revenue for the City of \$181,753,700 and total expenses/expenditures of \$176,177,820. The General Fund is balanced with revenue and expenditures totaling \$41,909,940, an increase of \$654,600 over the prior year budget. In order to balance the budget, staff is recommending that six positions in the Police Department be unfunded; three Police Officer positions, one Dispatch/Jailer position, one Assistant Animal Services Officer and one Police Records Clerk position. All of these positions are currently vacant.

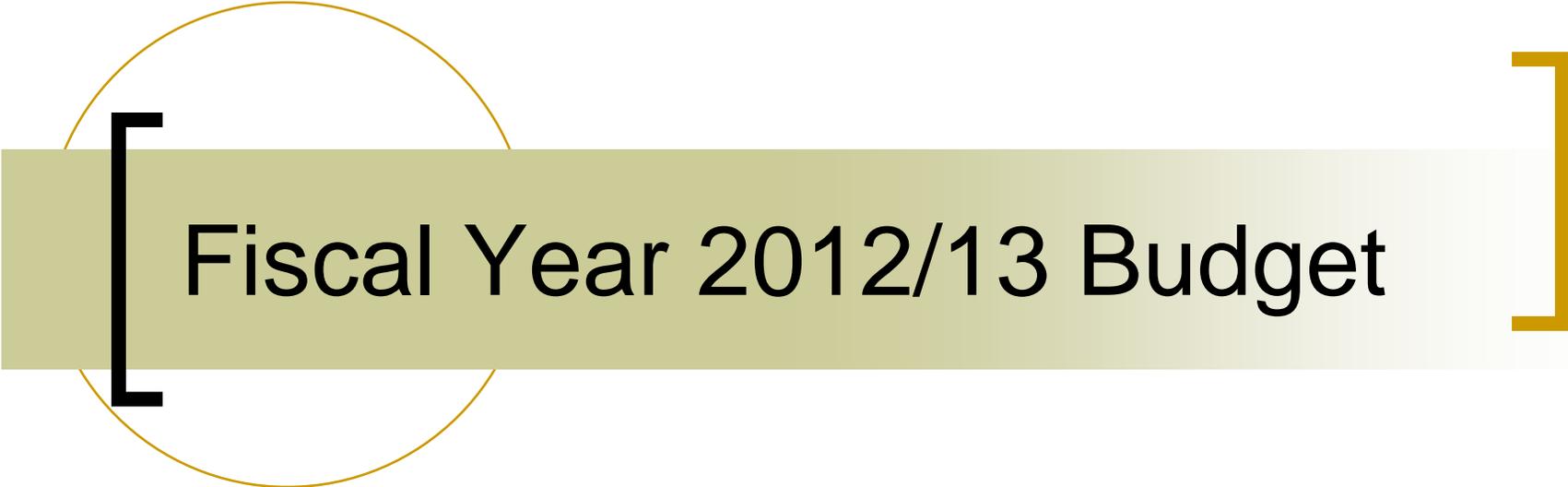
Staff has conducted a series of presentations that provided Council and the public with the basic parameters that form the foundation of the budget. The Shirtsleeve Session on May 1, 2012 focused on general economic issues the City is addressing in the budget process along with General Fund revenue projections. The Shirtsleeve Session on May 8, 2012 discussed the Library Fund, the Transit Fund, the Streets Fund, the Community Development Fund and the Parks, Recreation and Cultural Services Fund. The Shirtsleeve Session on May 15, 2012 addressed the Electric, Water and Wastewater utilities.

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 \$41,909,940.


Jordan Ayers
Deputy City Manager

APPROVED: 
Konradt Bartlam, City Manager



Fiscal Year 2012/13 Budget

City Council Shirtsleeve Session
May 22, 2012

[Overview]

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

[General Fund]

	Audited 2009-10 Actuals	Audited 2010-11 Actuals	2011-12 Budget	Estimated 2011-12 Actuals	2012-13 Budget
General Fund					
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	3,383,191	3,896,576	3,961,428	5,597,678	3,968,897
Revenues	40,547,920	41,889,230	41,255,340	41,182,451	41,909,940
Expenditures	<u>40,034,535</u>	<u>40,188,128</u>	<u>43,136,412</u>	<u>42,811,232</u>	<u>41,909,940</u>
Net Difference (Revenues Less Expenditures)	513,385	1,701,102	(1,881,072)	(1,628,781)	-
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>3,896,576</u>	<u>5,597,678</u>	<u>2,080,356</u>	<u>3,968,897</u>	<u>3,968,897</u>

Departmental Funding

Department	2011/12 Allocation	2011/12 Ratio*	2012/13 Recommended Funding	2012/13 Ratio*	Change 2011/12 to 2012/13
City Clerk	\$511,970	1.27%	\$585,340	1.41%	\$73,370
City Manager	\$411,050	1.02%	\$418,040	1.01%	\$6,990
City Attorney	\$445,940	1.11%	\$466,730	1.13%	\$20,790
Internal Services	\$3,369,640	8.38%	\$3,374,420	8.15%	\$4,780
Non-Departmental	\$8,014,140	19.93%	\$7,939,260	19.17%	(\$74,880)
Economic Development	\$568,350	1.41%	\$582,190	1.41%	\$13,840
Police	\$16,000,270	39.80%	\$16,891,930	40.79%	\$891,660
Fire	\$9,320,840	23.19%	\$9,581,630	23.14%	\$260,790
Public Works	\$1,559,390	3.88%	\$1,570,400	3.79%	\$11,010
Capital Projects	\$1,053,750		\$500,000		(\$553,750)
Total	\$41,255,340	100.00%	\$41,909,940	100.00%	\$654,600

*excluding Capital Projects

[Police]

- \$891,660 increase over FY 2011/12
- Salary & benefit increase (\$748,000)
- Service & supply increase (\$72,000)
- Vehicle replacement decrease (\$296,000)

[Police]

- No agreements with Police Officers Association and Dispatch
- Recommended budget includes:
 - Unfunding of 3 Police Officers
 - Unfunding of 1 Dispatcher
 - Unfunding of 1 Police Records Clerk
 - Unfunding of 1 Asst. Animal Svcs Officer

[Fire]

- \$260,790 increase over FY 2011/12
- 52 sworn positions
 - 4 lower than prior year
 - 2 due to retirements
 - 2 by agreement with LPF
- Salary & benefit increase (\$326,000)
- Service & supply decrease (\$233,000)

[Public Works]

- \$11,010 increase over FY 2011/12
- Includes funding an Associate Engineer
 - Fully offset by charges to utilities/capital projects

[Administration]

- Includes City Clerk, City Attorney, City Manager and Economic Development
- \$114,990 increase over FY 2011/12
- No position changes
- Includes funding for election (\$65,000)
- Includes support for Community Events (\$75,300)

[Internal Services]

- \$4,780 increase over FY 2011/12
- No position changes

[Non-Departmental]

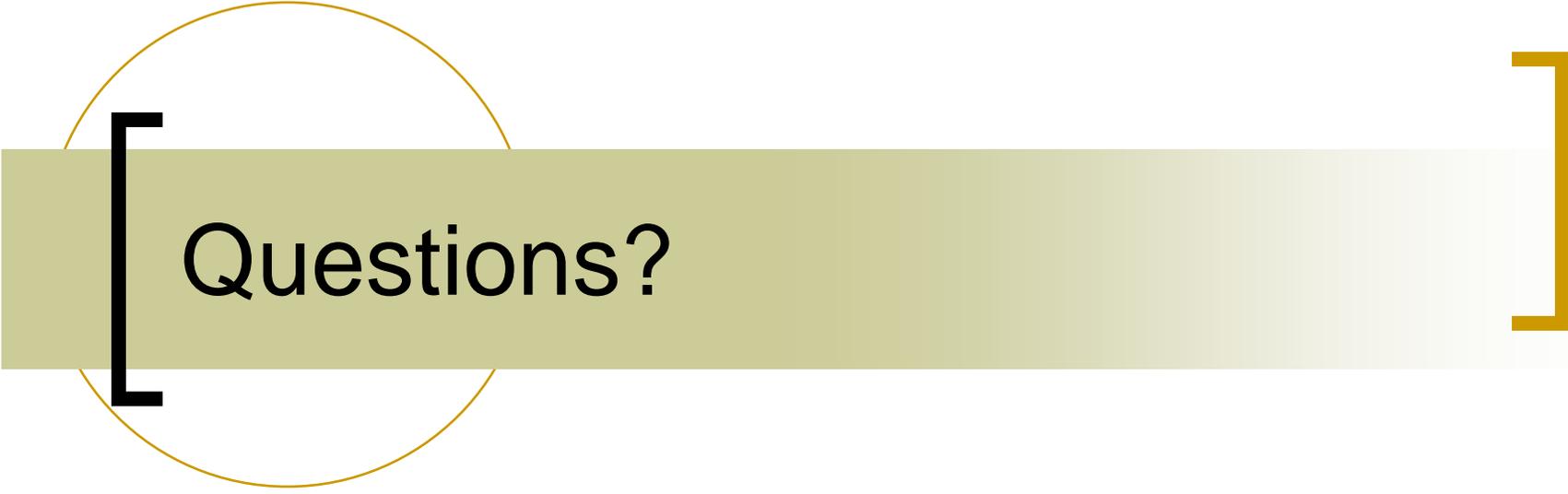
- \$628,630 lower than FY 2011/12
 - Includes \$553,750 reduction to Capital Projects
- Total appropriation \$8,439,260
- No staff
- Consists of:
 - City paid utilities (\$1,210,010)
 - Arts Grants (\$36,500)
 - Consulting/Audit/Property Tax Fees (\$545,280)
 - DIVCA expenses (\$100,000)
 - Transfers to other funds (\$7,416,240)

[Non-Departmental]

To	Amount
PRCS	\$3,881,140
Library	\$1,349,180
Debt Service	\$1,008,090
Capital Outlay	\$435,000
Streets	\$567,830
Community Dev	\$110,000
IT Replacement	\$65,000
Total	\$7,416,240

Capital Outlay

Purpose	Amount
City Hall Parking Lot	\$50,000
Roof/gutter replacement CH carport	\$45,000
Fire Station #3 exterior repairs	\$30,000
Jail roof replacement	\$65,000
Reserve for financial system replacement	\$245,000
Total	\$435,000



Questions?