

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MAY 20, 2014**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, May 20, 2014, commencing at 7:00 a.m.

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

Absent: Council Member Mounce

Also Present: Interim City Manager Schwabauer, Interim City Attorney Magdich, and City Clerk Johl-Olson

B. Topic(s)

B-1 Receive Presentation Regarding Fiscal Year 2014/15 Budget (CM)

Deputy City Manager Jordan Ayers provided a PowerPoint presentation regarding the fiscal year 2014/15 budget. Specific topics of discussion included revenues and expenditures for each of the following special revenue funds: Library, Transit, Streets, Fleet, Community Development, and Parks, Recreation and Cultural Services.

In response to Mayor Pro Tempore Hansen, Mr. Ayers stated the Library is operating with ten positions.

In response to Council Member Johnson, Traffic Engineer Paula Fernandez explained that Measure K funding has declined because Transportation Development Act (TDA) funding has increased and therefore less Measure K funding is needed to backfill TDA funding.

In response to Council Member Johnson, Ms. Fernandez stated the proposed parking study, which is funded through grant monies, will review options for secure parking for transit vehicles near the station and will include a review of properties and appraisals for those properties.

In response to Council Member Nakanishi, Ms. Fernandez stated the City previously requested Measure K funds because TDA funds were in shortfall and now that TDA funding has increased there are less Measure K funds needed.

In response to Council Member Johnson, Ms. Fernandez stated the vehicle locator equipment is new equipment and funded through grant monies through Proposition 1B.

In response to Mayor Pro Tempore Hansen, Ms. Fernandez stated bus shelters and stops are improved annually and include roofing for bus shelter and announcements on buses will be automated.

In response to Mayor Katzakian, Mr. Ayers stated facility upgrades include projects such as the transit station restroom improvements.

In response to Mayor Pro Tempore Hansen, Deputy Public Works Director Charlie Swimley stated the Sacramento Street project is scheduled for completion in early July. A brief discussion ensued regarding access to businesses during the construction period and the efforts of the City and contractor to facilitate accessibility for the businesses.

In response to Council Member Johnson, Mr. Swimley stated work on the Church Street parking lot will begin in June.

In response to Mayor Pro Tempore Hansen, Mr. Swimley stated the signals for Lockeford and Stockton and Guild and Victor will be designed and installed in the 2015/16 fiscal year.

In response to Council Member Nakanishi, Mr. Ayers provided a brief overview of expenditures charged against specific operating units including fleet.

Council Member Johnson requested a copy of the traffic signal light improvement list when it is completed.

In response to Mayor Pro Tempore Hansen, Mr. Ayers confirmed that the Neighborhood Services Manager position exists in Community Development and therefore that fund is connected to the Community Development Block Grant funding for administration.

In response to Mayor Pro Tempore Hansen, Mr. Schwabauer provided an overview of the changes in law related to lighting and landscaping districts based on a general benefit and special benefit assessment.

In response to Mayor Pro Tempore Hansen, Parks, Recreation, and Cultural Services Director Jeff Hood stated he believes the after school program will continue into the future and anticipates the matter coming before the Council for approval in June.

In response to Council Member Nakanishi and Mayor Pro Tempore Hansen, Mr. Ayers and Mr. Schwabauer provided an overview of how the minimum wage increase approved by the State will affect positions in various departments in the City, including part-time positions in the Parks, Recreation and Cultural Services Department.

In response to Mayor Pro Tempore Katakian, Mr. Hood stated the grant documentation is being completed currently for the Lodi Lake ramp and parking lot project and permitting, design, and construction will follow soon thereafter. Mr. Hood stated that through education and outreach efforts from the Sheriff's office and Police Department, along with the Parks and Recreation Department, conflicts on the lake between motorized and non-motorized users will decrease. Mr. Hood stated related flyers regarding rules and hours will be handed out on Memorial Day weekend.

Council Member Johnson requested a list of City positions that are eligible for retirement now and into the near future.

In response to Mayor Pro Tempore Hansen, Library Services Director Dean Gualco confirmed that the Library is not a revenue generating department, other than nominal late and rental fee collection, and is wholly supported by the General Fund.

In response to Council Member Johnson, Police Chief Helms stated to his knowledge fees have not been charged for the rental of the community room at the Police Department. Mr. Johnson suggested policies regarding room usage and fees at City facilities be consistent.

Myrna Wetzel spoke in regard to her concerns about the potholes on Main and Pine Streets.

In response to Mayor Katakian, Mr. Swimley stated the potholes near the railroad tracks on Lockeford Street are being looked at by Union Pacific.

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-Olson
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2014/15 Budget
MEETING DATE: May 20, 2014
PREPARED BY: Deputy City Manager

RECOMMENDED ACTION: Receive presentation regarding Fiscal Year 2014/15 budget.

BACKGROUND INFORMATION: The Fiscal Year (FY) 2014/15 budget is built on a number of basic economic assumptions.

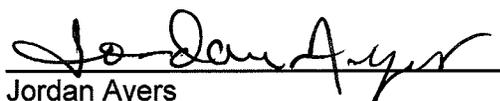
Staff released the draft Fiscal Year 2014/15 budget document last week. Council is scheduled to consider adoption of the budget in early June.

Staff has held 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 6, 2014 focused on general economic issues the City is addressing in the budget process along with general fund revenue projections. The Shirtsleeve session on May 13, 2014 addressed the Electric, Water and Wastewater utilities.

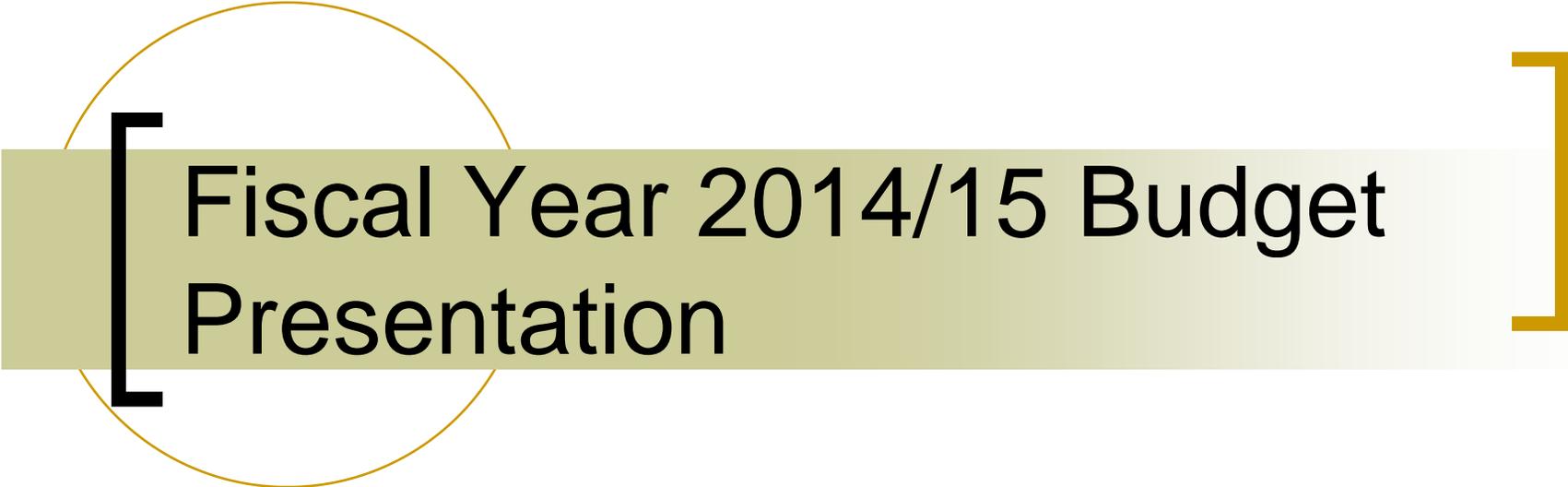
Today's discussion will focus on the special revenue funds of the City; the Library Fund, the Transit Fund, the Streets Fund, the Fleet Fund, the Community Development Fund and the Parks, Recreation and Cultural Services (PRCS) Fund.

FISCAL IMPACT: Revenues, expenditures and increases/decreases to reserves are as noted below:

Fund	Revenues	Expenditures	Increase/(Decrease) to Reserves
Library	\$1,415,780	\$1,389,950	\$25,830
Transit	\$6,711,210	\$4,162,210	\$2,549,000
Streets	\$4,236,470	3,951,680	\$284,790
Fleet	\$1,820,120	\$1,820,120	\$0
Community Development	\$1,210,900	\$1,238,440	(\$27,540)
PRCS	\$5,854,660	\$5,800,190	\$54,470


 Jordan Ayers
 Deputy City Manager

APPROVED: 
 Stephen Schwabauer, Interim City Manager



Fiscal Year 2014/15 Budget Presentation

City Council Shirtsleeve Session
May 20, 2014

[Overview]

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

[Library Overview]

Library Fund

Fund Balance

Beginning Fund Balance Unreserved

Audited	Audited		Estimated	
2011-12	2012-13	2013-14	2013-14	2014-15
Actuals	Actuals	Budget	Actuals	Budget

56,458 67,774 103,994 54,577 121,248

Revenues

1,438,172 1,428,796 1,797,800 1,795,770 1,415,780

Expenditures

1,426,856 1,441,993 1,777,346 1,729,099 1,389,950

Net Difference (Revenues Less Expenditures)

11,316 (13,197) 20,454 66,671 25,830

Fund Balance

Ending Fund Balance Unreserved

67,774 54,577 124,448 121,248 147,078

[Library]

- Revenues \$382,000 lower than FY 2013/14 budget
 - Reduction due to Capital construction donations
 - General Fund transfer \$1,349,180
- Expenditures \$387,400 lower than FY 2013/14 budget
 - Primarily capital construction

[Transit Overview]

Transit Fund	Audited	Audited		Estimated	
	2011-12	2012-13	2013-14	2013-14	2014-15
	Actuals	Actuals	Budget	Actuals	Budget
<u>Fund Balance (Net Assets)</u>					
Beginning Fund Balance (Net Assets) Unreserved	2,509,652	3,203,015	1,148,625	3,318,065	3,818,812
Revenues	4,646,423	6,480,368	7,251,370	6,506,410	6,711,210
Expenditures	<u>3,953,060</u>	<u>6,365,318</u>	<u>6,776,252</u>	<u>6,005,663</u>	<u>4,162,210</u>
Net Difference (Revenues Less Expenditures)	693,363	115,050	475,118	500,747	2,549,000
<u>Fund Balance (Net Assets)</u>					
Ending Fund Balance (Net Assets) Unreserved	<u>3,203,015</u>	<u>3,318,065</u>	<u>1,623,743</u>	<u>3,818,812</u>	<u>6,367,812</u>

[Transit]

- Revenue \$540,000 lower than FY 2013/14 budget
 - \$624,000 increase in TDA funds
 - \$419,000 decrease in Measure K
 - \$758,000 decrease in UMTA funds

[Transit]

- Expenses \$2.6M lower than FY 2013/14 budget
 - Equipment and vehicles

[Transit Capital Projects]

- Bus shelter/stop improvements (\$188k)
- Bus equipment (\$163k)
- Facility upgrades (\$595k)
- Vehicle locator equipment (\$83k)
- Secured bus parking study (\$50k)
- Vehicle (\$50k)

[Streets]

Street Fund	Audited	Audited		Estimated	
	2011-12	2012-13	2013-14	2013-14	2014-15
	Actuals	Actuals	Budget	Actuals	Budget
<u>Fund Balance</u>					
Beginning Fund Balance	7,589,026	6,513,011	6,525,206	4,964,236	2,005,131
Revenues	4,932,577	3,707,564	6,037,532	5,324,450	4,236,470
Expenditures	<u>6,008,592</u>	<u>5,256,339</u>	<u>9,307,069</u>	<u>8,283,555</u>	<u>3,951,680</u>
Net Difference (Revenues Less Expenditures)	(1,076,015)	(1,548,775)	(3,269,537)	(2,959,105)	284,790
<u>Fund Balance</u>					
Ending Fund Balance	<u>6,513,011</u>	<u>4,964,236</u>	<u>3,255,669</u>	<u>2,005,131</u>	<u>2,289,921</u>

[Streets]

- Revenues \$1.8M lower than FY 2013/14 budget
 - Federal Grants - \$2.0M lower
 - Gas tax - \$181k higher

[Streets]

- Expenditures \$5.4M lower than FY 2013/14
 - Capital Projects - \$5.5M decrease
 - Other expenses - \$168k increase

[Street Capital Projects]

- Turner Road Overlay (\$900,000)
- Slurry/crack sealing (\$250,000)
- Traffic signal maintenance (\$40,000)
- Signal designs (\$100,000)
- Sidewalk repairs (\$209,000)
- Pavement maintenance (\$90,000)
- Frontage wall repair/maintenance (\$50,000)
- Equipment replacement (\$285,000)

[Fleet]

Fleet Services Internal Services Fund

Fund Balance (Net Assets)

	Audited 2011-12 Actuals	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	2014-15 Budget
Beginning Fund Balance (Net Assets) Unreserved	62,415	45,566	45,566	1,949	1,949
Revenues	1,688,659	1,576,123	1,738,750	1,750,296	1,820,120
Expenditures	<u>1,705,508</u>	<u>1,619,740</u>	<u>1,760,646</u>	<u>1,750,296</u>	<u>1,820,120</u>
Net Difference (Revenues Less Expenditures)	(16,849)	(43,617)	(21,896)	-	-

Fund Balance (Net Assets)

Ending Fund Balance (Net Assets) Unreserved	<u>45,566</u>	<u>1,949</u>	<u>23,670</u>	<u>1,949</u>	<u>1,949</u>
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[Fleet]

- Revenues and expenses \$70k higher than FY 2013/14 estimated actuals
- Addition of Heavy Equipment Mechanic

[Community Development]

Community Development Fund

	Audited 2011-12 Actuals	Audited 2012-13 Actuals	2013-14 Budget	Estimated 2013-14 Actuals	2014-15 Budget
Fund Balance					
Beginning Fund Balance Unreserved	66,810	293,173	664,338	875,801	792,117
Revenues	1,265,483	1,674,188	1,184,850	1,142,130	1,210,900
Expenditures	<u>1,039,120</u>	<u>1,091,560</u>	<u>1,201,910</u>	<u>1,225,814</u>	<u>1,238,440</u>
Net Difference (Revenues Less Expenditures)	226,363	582,628	(17,060)	(83,684)	(27,540)
Fund Balance					
Ending Fund Balance Unreserved	<u>293,173</u>	<u>875,801</u>	<u>647,278</u>	<u>792,117</u>	<u>764,577</u>

[Community Development]

- Revenues \$26,000 higher than FY 2013/14 budget
 - Permit/Other fees increased by \$47,000
 - CDBG Admin reimbursement decreased by \$23,000

[Community Development]

- Expenditures \$36,000 higher than FY 2013/14
 - Salary & benefits - \$33,000 increase
 - Services/supply/equipment - \$3,000 increase

[Parks, Rec & Cultural Services]

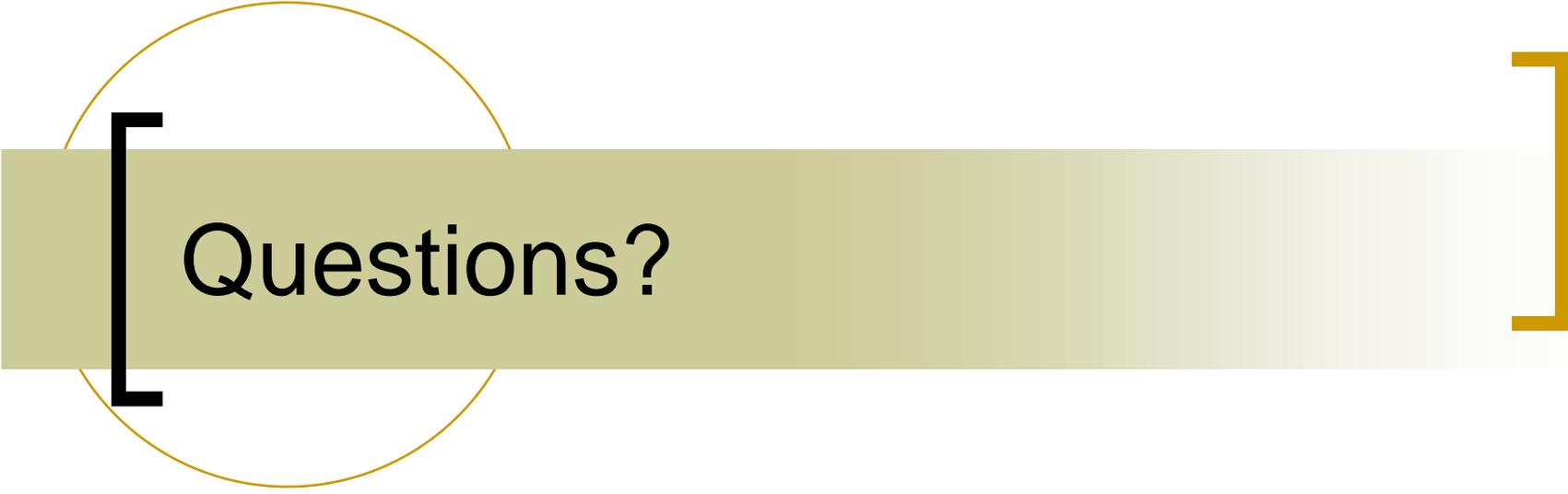
Parks, Recreation & Cultural Svcs Fund	Audited	Audited		Estimated	
	2011-12	2012-13	2013-14	2013-14	2014-15
	Actuals	Actuals	Budget	Actuals	Budget
<u>Fund Balance</u>					
Beginning Fund Balance Unreserved	(846,381)	(861,843)	(746,353)	(508,866)	(481,858)
Revenues	5,773,466	5,579,622	5,735,410	5,694,290	5,854,660
Expenditures	<u>5,788,928</u>	<u>5,226,645</u>	<u>5,741,452</u>	<u>5,667,282</u>	<u>5,800,190</u>
Net Difference (Revenues Less Expenditures)	(15,462)	352,977	(6,042)	27,008	54,470
<u>Fund Balance</u>					
Ending Fund Balance Unreserved	<u>(861,843)</u>	<u>(508,866)</u>	<u>(752,395)</u>	<u>(481,858)</u>	<u>(427,388)</u>

[Parks, Rec & Cultural Services]

- Revenues \$119,000 higher than FY 2013/14 budget
 - General Fund transfer of \$3,554,300
 - \$36,800 lower than prior year
 - 61% of total funding
 - Other programs showing net increase in revenue streams (\$156,000)
 - LUSD After School Program - \$85,400 higher
 - L&L district – \$54,000 reduction

[Parks, Rec & Cultural Services]

- Expenditures \$59,000 higher than FY 2013/14 budget
 - Funding additional Park Supervisor position
 - Succession planning
 - Service/supply/utility accounts increased \$71,000
 - Equipment accounts reduced \$15,000



Questions?