

**LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 3, 2014**

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, June 3, 2014, commencing at 7:00 a.m.

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

Absent: None

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 proposed Fiscal Year 2014/15 budget. Specific topics of discussion included an overview of proposed funding for the upcoming fiscal year for General Fund departments including Police, Fire, Public Works, Administration, Internal Services, non-departmental, and capital outlay.

In response to Council Member Mounce, Mr. Ayers stated approximately \$245,000 is available for the City Council to spend this upcoming year.

In response to Council Member Nakanishi, Mr. Ayers stated the increase in medical costs is approximately 8%.

In response to Mayor Pro Tempore Hansen, Police Chief Helms stated 67 of the 71 budgeted positions in the Police Department are filled.

In response to Council Member Mounce, Interim City Manager Schwabauer stated additional funds of approximately \$30,000 were added to run the browned out engine periodically. Mr. Schwabauer stated he will include a review of the status of the browned out engine in the mid-year budget review.

In response to Council Member Johnson, Fire Chief Rooney stated the browned out truck does not affect response time for the surrounding fire station area but the overall response times in the City for larger incidents and multiple calls are affected.

In response to Mayor Pro Tempore Hansen, Chief Rooney stated the Office of Emergency Services truck is put into service two to three times a year, and while the written agreements for mutual aid expired in 1997, neighboring agencies have continued to provide mutual aid service to one another informally.

In response to Council Member Nakanishi, Interim City Attorney Magdich stated written mutual aid agreements are needed to clarify expectations and address other legal ramifications associated with providing aid to other agencies.

In response to Council Member Johnson, Chief Rooney stated Stockton has not yet put into place the pilot program for a two-person response on lower level calls. He stated he is continuing to

review options for effective deployment including partnering with neighboring and regional agencies.

In response to Mayor Pro Tempore Hansen, Deputy Public Works Director Charlie Swimley stated Fire Station No. 2 construction will begin in August and be complete next Spring.

In response to Council Member Johnson, Mr. Ayers stated funding for a part-time management analyst has been added to the Fire Department budget because the previously shared management analyst is going to the Police Department full-time.

In response to Mayor Pro Tempore Hansen, Mr. Swimley stated the City Hall annex is fully permitted, the design is ready to go, and details regarding relocating the server room are pending, after which the project will go to bid. Mr. Swimley also provided a brief overview of the air conditioning for the annex and stated the construction on the project will take approximately a year.

In response to Council Member Johnson, Mr. Ayers stated the heavy equipment mechanic position exists in the fleet maintenance budget.

In response to Council Member Mounce, Mr. Ayers stated community events budgeted for in the \$85,000 amount include the 4th of July fireworks show at Lodi Lake and participation at the Grape Festival.

In response to Council Member Mounce, City Clerk Johl-Olson stated in the past election costs have ranged from \$55,000 to \$65,000 and the increase of \$20,000 to \$85,000 is the result of the County direct billing the costs associated with absentee voting, which were previously paid by the County and recoverable through its SB 90 claim.

In response to Council Member Mounce, Mr. Schwabauer stated the economic development position is partially funded in the budget.

In response to Council Member Johnson, Mr. Ayers stated the City spends approximately \$5,000 a year for Wellhouse Associates to administer the SB 90 claims process. Council Member Mounce requested information regarding how much the City spends on the consultant annually to process SB 90 claims versus how much is recovered annually.

In response to Council Member Mounce, Mr. Ayers stated he will look into options for separating customers in line at the finance building based on individual needs and utilizing a number system similar to the one used by the Department of Motor Vehicles.

In response to Council Member Mounce, Mr. Ayers stated that, with respect to the accounting for Other Post Employment Benefits, the previous recommendation by the auditors has been fixed, funding is still based on the pay-as-you-go system with actual costs, and the records reflect the Governmental Accounting Standards Board requirements.

In response to Mayor Pro Tempore Hansen, Chief Helms stated the Cal-Grip program is designed to get kids out of gangs and keep them out. A brief discussion ensued regarding the success of the program and similar programs such as midnight basketball.

In response to Council Member Mounce, Chief Helms stated the department is reviewing various factors associated with the weekend shooting in downtown including noise levels at certain businesses.

Council Member Nakanishi requested information regarding salary increases resulting from

reclassifications for re-classed positions over the last two fiscal years and the upcoming fiscal year.

Myrna Wetzel spoke in regard to a program utilized at the US Post office for reducing wait times for customers in line.

In response to Council Member Nakanishi, Mr. Ayers stated the Mondays after a Friday closure are the busiest days at the Finance building, approximately 1/7 of the billing is collected via online payments, lines have remained steady despite online bill pay options due to the shortened time schedule for payment, there are a variety of physical locations for payment in the City, and there is a customer base which prefers personal payment at the window for interaction purposes.

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-Olson
City Clerk



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Receive Presentation Regarding Fiscal Year 2014/15 Budget
MEETING DATE: June 3, 2014
PREPARED BY: Deputy City Manager

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

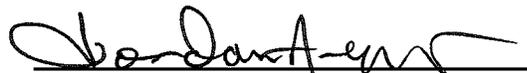
BACKGROUND INFORMATION: The Fiscal Year (FY) 2014/15 budget is built on a number of basic economic assumptions.

Staff released the draft Fiscal Year 2014/15 budget in mid-May. The draft document shows total revenue for the City of \$178,813,670 and total expenses/expenditures of \$179,553,990. The General Fund is balanced with revenue and expenditures totaling \$43,591,060, an increase of \$1,392,240 over the prior year 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 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 discussed the Electric, Water and Wastewater Utilities. The Shirtsleeve Session on May 20, 2014 addressed the Library Fund, the Transit Fund, the Streets Fund, the Fleet Fund, the Community Development Fund and the Parks, Recreation and Cultural Services Fund.

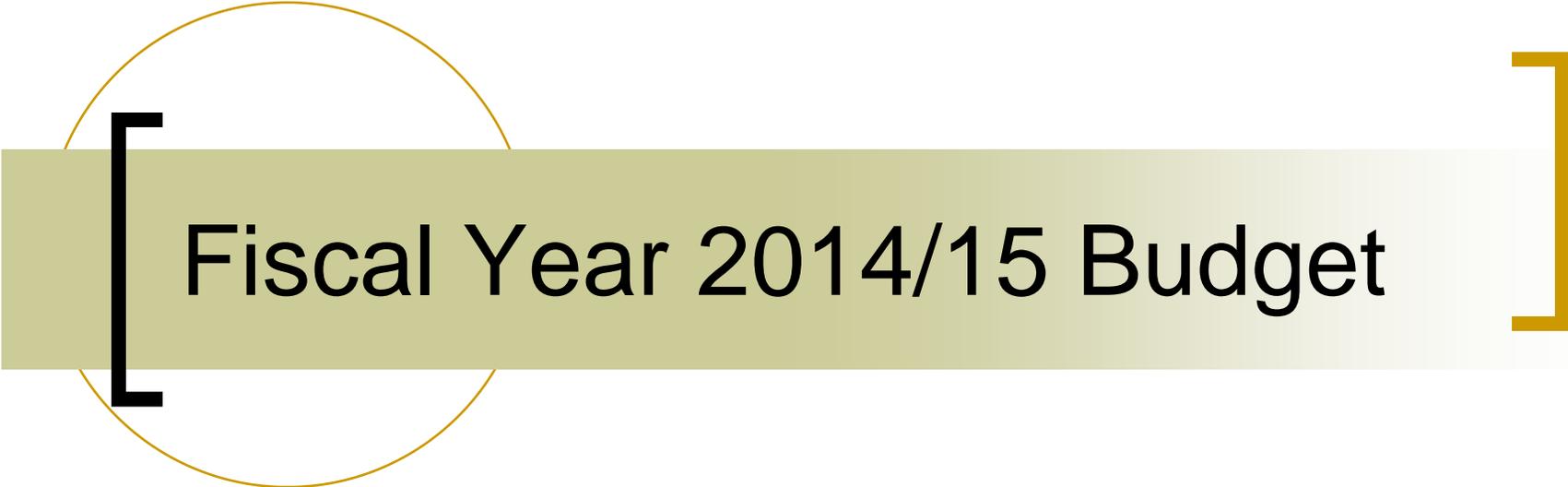
Today's discussion will focus on the expenditure side of the General Fund.

FISCAL IMPACT: Staff is presenting a balanced General Fund, with revenues and expenditures equaling \$43,591,060.


Jordan Ayers
Deputy City Manager

JA/ja

APPROVED: 
Interim Stephen Schwabauer, City Manager



Fiscal Year 2014/15 Budget

City Council Shirtsleeve Session
June 3, 2014

[Overview]

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

[General Fund]

General 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	5,597,678	6,164,685	7,044,415	7,559,467	7,520,074
Revenues	40,520,257	41,380,988	42,198,820	42,781,478	43,591,060
Expenditures	<u>39,953,250</u>	<u>39,986,206</u>	<u>43,145,555</u>	<u>42,820,871</u>	<u>43,591,060</u>
Net Difference (Revenues Less Expenditures)	567,007	1,394,782	(946,735)	(39,393)	-
<u>Fund Balance</u>					
Ending Fund Balance Unreserved*	<u>6,164,685</u>	<u>7,559,467</u>	<u>6,097,680</u>	<u>7,520,074</u>	<u>7,520,074</u>

*Composed of Catastrophic & Economic reserve (\$3,487,300 each); DIVCA reserve (\$300,000); available reserve (\$245,474)

Departmental Funding

Department	2013/14 Allocation	2013/14 Ratio*	2014/15 Recommended Funding	2014/15 Ratio*	Change 2013/14 to 2014/15
City Clerk	\$513,060	1.26%	\$626,320	1.48%	\$113,260
City Manager	\$403,100	0.99%	\$414,420	0.98%	\$11,320
City Attorney	\$472,200	1.16%	\$490,810	1.16%	\$18,610
Internal Services	\$3,237,480	7.92%	\$3,367,710	7.97%	\$130,230
Non-Departmental	\$7,443,750	18.21%	\$7,563,810	17.90%	\$120,060
Economic Development	\$481,880	1.18%	\$488,280	1.16%	\$6,400
Police	\$16,789,830	41.08%	\$17,405,020	41.18%	\$615,190
Fire	\$9,637,030	23.58%	\$9,967,970	23.58%	\$330,940
Public Works	\$1,894,290	4.63%	\$1,940,520	4.59%	\$46,230
Capital Projects	\$1,326,200		\$1,326,200		\$0
Total	\$42,198,820	100.00%	\$43,591,060	100.00%	\$1,392,240

*Excluding Capital Projects

[Police]

- \$615,190 increase from FY 2013/14
- Salary & benefit increase (\$530,700)
 - Full-time Management Analyst
 - PERS/Medical cost increases
- Vehicle replacement increase (\$87,100)
- Includes \$20,000 for spay/neuter

[Police]

- 71 sworn positions funded
 - Includes full year funding for 4 positions formerly grant funded

[Fire]

- \$330,940 increase over FY 2013/14
- 52 sworn positions
- Salary & benefit increase (\$318,100)
- Service & supply increase (\$12,600)

[Public Works]

- \$46,230 increase over FY 2013/14
- No position changes
- Salary & benefits increase (\$66,700)
- Service & supply decrease (\$20,700)

[Administration]

- Includes City Clerk, City Attorney, City Manager and Economic Development
- \$143,200 increase over FY 2013/14
 - Election costs (\$85,000)
 - Salary & benefits (\$53,900)
- Includes support for Community Events (\$85,000)

[Internal Services]

- \$130,230 increase from FY 2013/14
- No position changes
- Salary & benefit increase (\$113,700)
- Service and supply increase (\$15,700)

[Non-Departmental]

- \$120,060 increase over FY 2013/14
- Total appropriation \$8,890,010
- No permanent staff
- Consists of:
 - City paid utilities (\$1,345,000)
 - Consulting/Audit/Property Tax Fees (\$373,000)
 - DIVCA expenses (\$100,000)
 - Transfers to other funds (\$7,433,920)
 - Includes funding Cal Grip outreach workers

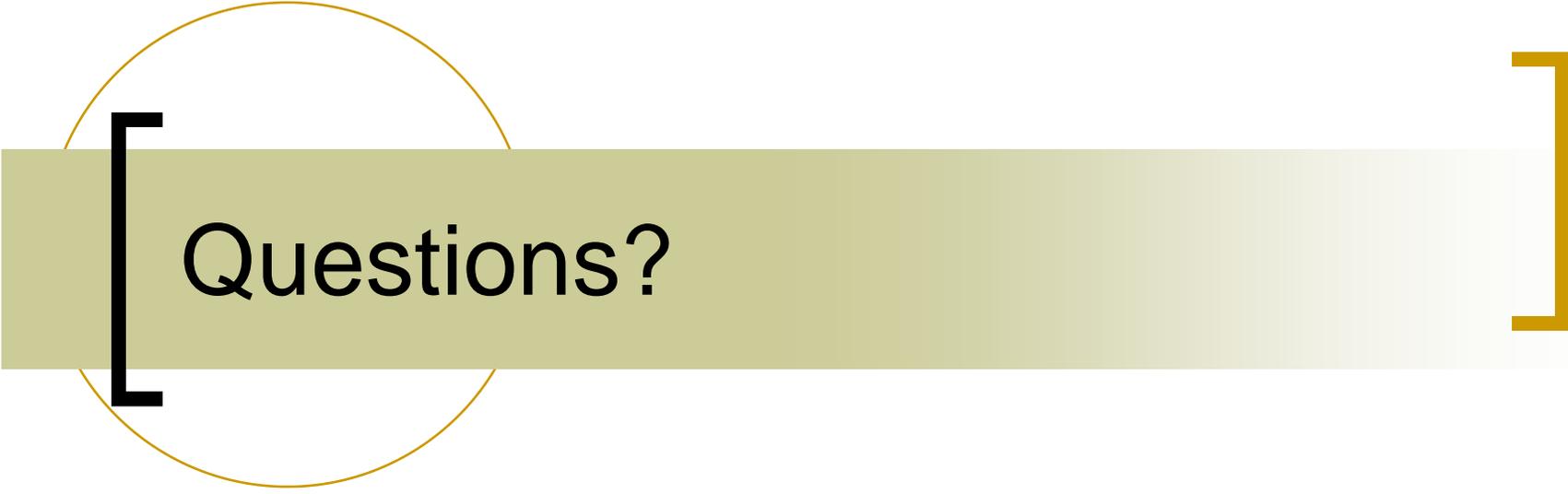
[Non-Departmental]

To	Amount
PRCS	\$3,554,300
Library	\$1,349,180
Capital Outlay	\$1,261,200
Streets	\$591,800
Debt Service	\$512,440
Community Dev	\$100,000
IT Replacement	\$65,000
Total	\$7,433,920

Capital Outlay

Purpose	Amount
Financial systems replacement	\$750,000
Downtown parking lots	\$100,000
HSS roof repairs	\$65,000
Trellis repairs	\$50,000
HSS carpet	\$45,000
Total	\$1,010,000

Fire Station 2 and City Hall Annex appropriations will be brought to Council after bids are received.



Questions?