

**LODI CITY COUNCIL  
REGULAR CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
WEDNESDAY, MARCH 4, 2020**

C-1 Call to Order / Roll Call

The City Council Closed Session meeting of March 4, 2020, was called to order by Mayor Kuehne at 6:33 p.m.

Present: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and Assistant City Clerk Farris

C-2 Announcement of Closed Session

- a) Conference with Adele Post, Human Resources Manager, and Andrew Keys, Deputy City Manager (Labor Negotiators), Regarding AFSCME General Services and Maintenance & Operators, Lodi Professional Firefighters, Council Appointees, and Confidential Employees Pursuant to Government Code §54957.6 (CM)

C-3 Adjourn to Closed Session

At 6:33, Mayor Kuehne adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:45 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:00 p.m., Mayor Kuehne reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

Item C-2a was discussion and direction, with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of March 4, 2020, was called to order by Mayor Kuehne at 7:00 p.m.

Present: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Absent: None

Also Present: City Manager Schwabauer, City Attorney Magdich, and Assistant City Clerk Farris

B. Presentations

B-1 Bob Johnson – A Life of Service

A PowerPoint presentation was played in memory of Council Member Bob Johnson's life of service while City Manager Schwabauer provided a tribute which included his service in the United States Marine Corp; coaching youth sports; and serving on the Booster of Boys and Girls Sports board, Parks and Recreation Commission, Risk Oversight Committee, and 16 years on Lodi City Council, serving both as Vice Mayor and Mayor.

Council Member Chandler recognized Council Member Johnson's years of service and stated he was honored to have served with him.

Mayor Pro Tempore Nakanishi praised Council Member Johnson's service on the Council and stated he will be missed.

Mayor Kuehne recognized Council Member Johnson's service.

City Manager Schwabauer stated that Council Member Johnson's final act of service was the donation of the balance of his political campaign account in the amount of \$12,000 to the Parks and Recreation Department.

C. Consent Calendar (Reading; Comments by the Public; Council Action)

Council Member Mounce made a motion, second by Mayor Pro Tempore Nakanishi, to approve the following items hereinafter set forth, **except those otherwise noted**, in accordance with the report and recommendation of the City Manager.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

C-1 Receive Register of Claims for January 31, 2020 through February 13, 2020 in the Amount of \$3,213,590.97 (FIN)

Claims were approved in the amount of \$3,213,590.97.

C-2 Approve Minutes (CLK)

The minutes of February 5, 2020 (Regular Meeting), February 11, 2020 (Shirtsleeve Session), and February 18, 2020 (Shirtsleeve Session) were approved as written.

C-3 Adopt Resolution Awarding Bids for Purchase of 36 Wood Poles from Stella Jones, of Tacoma, Washington (\$27,695.21) (EU)

Adopted Resolution No. 2020-34 awarding bids for purchase of 36 wood poles from Stella Jones, of Tacoma, Washington, in the amount of \$27,695.21.

C-4 Adopt Resolution Awarding Contract for Municipal Services Center Security Fence Improvement Project to Martin General Engineering, Inc., of Rancho Cordova (\$154,900), Authorizing the City Manager to Execute Change Orders (\$15,100), and Appropriating Funds (\$130,225) (PW)

Adopted Resolution No. 2020-35 awarding contract for Municipal Services Center Security Fence Improvement Project to Martin General Engineering, Inc., of Rancho Cordova, in the amount of \$154,900; authorizing the City Manager to execute change orders, in an amount not to exceed \$15,100; and appropriating funds in the amount of \$130,225.

C-5 Adopt Resolution Authorizing City Manager to Execute Change Order No. 2 with West

Coast Arborists, Inc., of Stockton for Two-Year Contract Extension for Power Line Clearing and Vegetation Management (\$2,500,000) (EU)

Adopted Resolution No. 2020-36 authorizing the City Manager to execute Change Order No. 2 with West Coast Arborists, Inc., of Stockton, for two-year contract extension for power line clearing and vegetation management, in the amount of \$2,500,000.

C-6 Adopt Resolution Authorizing City Manager to Execute Shared Services Agreement with Northern California Power Agency for After Hour Answering Services for Electric Utility and Public Works Department for a Period of Two Years (\$154,480) (EU)

Adopted Resolution No. 2020-37 authorizing the City Manager to execute Shared Services Agreement with Northern California Power Agency for after hour answering services for Electric Utility and Public Works Department for a period of two years, in the amount of \$154,480.

C-7 Adopt Resolution Approving Purchase of Three-Year License for Cisco Cloud Email Security Platform and Data Protection Services from CDW-G, of Vernon Hills, Illinois (\$23,256) (IT)

Adopted Resolution No. 2020-38 approving the purchase of three-year license for Cisco Cloud email security platform and data protection services from CDW-G, of Vernon Hills, Illinois, in the amount of \$23,256.

C-8 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Quest Media and Supplies Inc., of Roseville, for the Installation of Wireless Access Points and Data Cabling in Hutchins Street Square and Appropriate Funds (\$27,326.27) (IT)

Adopted Resolution No. 2020-39 authorizing the City Manager to execute a Professional Services Agreement with Quest Media and Supplies, Inc., of Roseville, for the installation of wireless access points and data cabling in Hutchins Street Square and appropriating funds in the amount of \$27,326.27.

C-9 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement and Non-Disclosure Agreement with Magellan Advisors, LLC, of Denver, Colorado, for Broadband Feasibility Study Services and Appropriate Funds (\$84,800) (EU)

This item was removed from the Consent Calendar at the request of Council Member Chandler for information purposes.

At the request of Council Member Chandler, Electric Utility Director Jeff Berkheimer provided background information on the broadband feasibility study. He stated utilities are looking at the infrastructure that is currently in place, specifically fiber, for evaluation of other uses or as revenue streams. The process involves bringing in a consultant to find out what State and federal grant funding might be available to help expand the broadband network to customers and throughout the City, evaluate public/private partnerships or dark fiber leasing, perform market analysis on likely customer uptake, and provide possible options. Hundreds of electric utilities in the nation have been going through this process.

In response to Mayor Pro Tempore Nakanishi, Mr. Berkheimer clarified that the City already has a robust fiber backbone throughout the City, and it is fast and inexpensive to install fiber on the overhead infrastructure. The consultant would be evaluating the business case potential against incumbents that currently offer these services or opening up the infrastructure for lease by

telecommunication companies. There are State and federal grants available to build out broadband infrastructure in underserved communities; in addition, this would provide an attractive investment opportunity within the Opportunity Zone for companies to come in and build out the network.

In response to Council Member Chandler, Information Technology Manager Benjamin Buecher stated the City's dark fiber is at about 25% capacity.

Council Member Chandler stated that this is already a City-owned asset and there is an opportunity to generate revenue and lower costs.

Council Member Chandler made a motion, second by Mayor Pro Tempore Nakanishi, to adopt Resolution No. 2020-41 authorizing the City Manager to execute a Professional Services Agreement and Non-Disclosure Agreement with Magellan Advisors, LLC, of Denver, Colorado, for broadband feasibility study services and appropriating funds in the amount of \$84,800.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

C-10 Adopt Resolution Approving Revised Pretreatment Program Enforcement Plan and Local Limits for Industrial Dischargers Using City Wastewater System (PW)

Adopted Resolution No. 2020-40 approving revised Pretreatment Program Enforcement Plan and Local Limits for Industrial Dischargers using City Wastewater System.

C-11 Receive Report Regarding First and Second Quarters Fiscal Year 2019/20 Water, Wastewater and Electric Utility Financial Reports (CM)

Received report regarding first and second quarters Fiscal Year 2019/20 Water, Wastewater and Electric Utility Financial Reports.

C-12 Appointment of Sandra Vargas to the Lodi Improvement Committee (CLK)

Made the following appointment:

Lodi Improvement Committee

Sandra Vargas Term to expire March 1, 2022

D. Comments by the Public on Non-Agenda Items THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES. Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3I). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

Mushtaq Tahirkheli, member of the public, stated he was defeated in the recent election for State office, but he will continue to work on his agenda, particularly a Delta campus located in Lodi, and he requested assistance from the Council. Further, he stated Council Member Johnson is gone

but remains in our hearts.

E. Comments by the City Council Members on Non-Agenda Items

Mayor Pro Tempore Nakanishi gave a brief update on what the Federal government is doing regarding the coronavirus and encouraged the public to listen to the Center for Disease Control's advice.

Council Member Mounce reported that the League of California Cities met with the Governor at their last board meeting, and he promised to work closely with cities on the homelessness issue.

F. Comments by the City Manager on Non-Agenda Items

None.

H-2 Adopt Resolutions and Authorize Documents and Actions Regarding the Refunding of a Series of Water Revenue Bonds that was Originally Issued in 2010 (CM)

NOTE: This item was heard out of order at staff's request to be able to accommodate the consultant's travel schedule.

NOTE: Joint action of the Lodi City Council and Lodi Public Financing Authority.

City Manager Schwabauer provided an introduction to the item. He explained these are water revenue bonds issued in 2010 that were used for the construction of the Water Treatment Plant. He reminded Council that the reissuance of the bonds will not extend the term to generate current cash flow; the reissuance is solely for the purpose of capturing interest rate savings to reduce the debt service for rate payers.

Deputy City Manager Andrew Keys provided a presentation regarding the refunding of water revenue bonds originally issued in 2010. Specific topics of discussion included the City's bond ratings confirmed at AA-, reflecting strong credit from the Water Utility; refinancing of approximately \$29.6 million in bonds; wrapping in of reserve fund of old bonds; small portion of Series B bonds to be left outstanding as they are due to mature next year; same term of 2040 as previous bonds; \$400,000 to \$500,000 in annual savings; 15% to 20% savings, over \$6 million with present value; if approved, pricing of bonds would occur on March 19 with closing in early April; and minor edits to the preliminary official statement are shown on Blue Sheet.

In response to Council Member Chandler's question regarding refinancing other bonds at this time due to favorable interest rates, Mr. Keys stated the next bonds would be eligible in 2022; to refinance now would move them from non-taxable to taxable, which would raise the interest rate. However, staff is constantly re-evaluating the situation.

(a) Adopt Resolution of the City Council Authorizing Documents and Official Actions Relating to the Refinancing of an Outstanding Installment Payment Obligation for Water System Improvements and the Issuance by the Lodi Public Financing Authority of Refunding Water Revenue Bonds; and

Council Member Chandler made a motion, second by Mayor Pro Tempore Nakanishi, to adopt Resolution No. 2020-42 of the City Council authorizing documents and official actions relating to the refinancing of an outstanding installment payment obligation for water system improvements and the issuance by the Lodi Public Financing Authority of refunding water revenue bonds.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

(b) Adopt Resolution of the Board of Directors of the Lodi Public Financing Authority Authorizing the Issuance and Sale of Refunding Water Revenue Bonds to Refinance the Construction of Water System Improvements, and Approving Related Documents and Official Actions

NOTE: Joint action of the Lodi City Council and Lodi Public Financing Authority

Council Member Mounce made a motion, second by Council Member Chandler, to adopt Resolution No. LPFA2020-01 of the Board of Directors of the Lodi Public Financing Authority authorizing the issuance and sale of refunding water revenue bonds to refinance the construction of water system improvements, and approving related documents and official actions.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

G. Public Hearings

G-1 Public Hearing to Consider Resolution Adopting Pre-Approved, Proposition 218 Consumer Price Index-Based Annual Adjustment to Rates for Solid Waste Collection (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Kuehne called for the public hearing to consider resolution adopting pre-approved Proposition 218 Consumer Price Index-based annual adjustment to rates for solid waste collection.

Management Analyst Rebecca Areida provided a PowerPoint presentation regarding solid waste rates. Specific topics of discussion included contract, Consumer Price Index rate adjustment factor, County gate fees, example rate changes, six-year summary, and recommended action.

In response to Mayor Kuehne, Public Works Director Charlie Swimley stated that he is not sure how the City of Galt handles their rate increases, but they recently went through a Proposition 218 process which resulted in substantial rate increases for solid waste.

Council Member Mounce expressed disappointment in the lack of timeliness in which commercial customers are receiving notification of violations; she noted a well-known restaurant has been very vocal about the problem, and she is concerned about the other restaurants which do not complain and about the small restaurants on the Eastside which are just trying to keep in business.

In response to Council Member Chandler, Deputy City Manager Keys stated that Waste Management has assured the City that violation notifications have been going out within 48 hours since September; for this particular case, it looks like the violation notices are going out via email to the same address used for the correspondence sent by the owner to the City; and no other

complaints have been received so City staff believe the notification system is working.

In response to Council Member Mounce, City Manager Schwabauer stated that Waste Management provided a significant education campaign for commercial users and appropriate use of waste containers is fairly easy to understand; the City experienced some problems during implementation, partially due to the cyber security incident; the delays caused three to four months of violation charges to appear on one bill.

Alex Oseguera, Waste Management Area Vice President and General Manager, explained the education process which took place over two years, including articles in the newspapers, as well as letters and postcards explaining the State mandates which were coming. He stated China no longer accepts contaminated recyclables; information is distributed to commercial customers via emails, texts, or phone calls at the customers' choice; Waste Management (WM) representative go to visit commercial customers; WM verified that notifications had gone out to all commercial establishments, not just the one who is currently complaining; and things have not been perfect but they are working with the customers and the City as all of the regulations are implemented.

In response to Mayor Pro Tempore Nakanishi, Mr. Oseguera stated that customers are now calling to resize their containers and are changing their behavior to eliminate the contamination, so there has been a decrease in the charges for violations; the goal is to have no overages or contamination. He further added that, unlike Galt which recently had significant rate increases and Sacramento County which will have a 50% rate increase, Waste Management strives to keep within the 80% CPI so that customers have more manageable increases.

In response to Mayor Kuehne, Mr. Oseguera stated that it will probably take about a year before things settle down, but there has been a significant drop in the number of violations, although they hope for a further decline.

Mayor Kuehne opened the public hearing for public comment.

There being no public comments, Mayor Kuehne closed the public hearing.

Mayor Pro Tempore Nakanishi made a motion, second by Council Member Chandler, to adopt Resolution No. 2020-43 adopting pre-approved Proposition 218 Consumer Price Index-based annual adjustment to rates for solid waste collection.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

H. Regular Calendar

H-1 Adopt Resolution Approving Fiscal Year 2019/20 Mid-Year Budget Adjustments (CM)

Deputy City Manager Keys provided an introduction, stating revenues are trending above projections and expenses are trending below projections; and some adjustments are being made which increase expenses, largely based on some of the contracts Council has approved with the labor unions.

Budget Manager Susan Bjork provided a PowerPoint presentation regarding Fiscal Year 2019/20

mid-year budget adjustments. Specific topics of discussion included General Fund overview, revenues, expenses, and requested adjustments; Electric Utility, Capital Improvement enhancements, and requested adjustments; Water utility; Wastewater utility; requested Wastewater utility adjustments; personnel requests; and requested action.

Council Member Mounce expressed disappointment with not having an additional Code Enforcement Officer included, as discussed by Council at an earlier meeting. City Manager Schwabauer responded that staff was not prepared to add the position in the mid-year budget but it would be included in the annual budget. Deputy City Manager Keys further responded that adding brand new positions is done as part of the annual budget process; the changes to positions shown in the mid-year budget tonight are upgrades and changes, not new positions.

In response to Mayor Pro Tempore Nakanishi, Deputy City Manager Keys stated all the additional revenue available in the General Fund is not being appropriated; there is approximately \$2 million available and staff is recommending the appropriation of approximately \$300,000; staff had originally expected a slight deficit but it is \$1.7 million positive, if all revenue assumptions prove correct; and the Measure L increase was projected at \$5.2 million but is actually \$6.2 million.

Council Member Mounce made a motion, second by Council Member Chandler, to adopt Resolution No. 2020-44 approving Fiscal Year 2019/20 mid-year budget adjustments.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

H-3 Provide Direction to City Manager to Request that the San Joaquin County Board of Supervisors Do Not Opt in to AB 626, and Thus Allow Micro Enterprise Home Kitchen Operations (CM)

City Manager Schwabauer provided a presentation regarding AB 626 and Micro Enterprise Home Kitchen Operations. Specific topics of discussion included County Board of Supervisors' consideration of whether to opt in or opt out of AB 626 which would create a framework for micro enterprise home kitchen operations (MEKO); current MEKO framework provides for baking and cooking of goods to sell at other locations or for catering of events at other locations; the framework under AB 626 would allow restaurants run out of homes, seven days per week, up to 30 meals per night, up to 60 meals per week; and staff concerns related to parking, traffic, lack of grease traps, and complaints from neighbors.

Mayor Pro Tempore Nakanishi voiced support for staff's recommendation for the City to send a letter to the County in opposition to opting into AB 626.

Council Member Mounce stated she opposes opting into AB 626 due to the parking issue and also due to the problem of grease in lines.

Council Member Chandler voiced opposition to the County opting into AB 626 due to the problems with parking, grease, congestion, the lack of control on sanitation for food preparation, and drunk driving.

Mayor Pro Tempore Nakanishi made a motion, second by Council Member Chandler, to authorize the City Manager to request that the San Joaquin County Board of Supervisors do not

opt in to AB 626, and thus allow micro enterprise home kitchen operations.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

H-4 Adopt Resolution Approving the Memorandum of Understanding Between the City of Lodi and Lodi Professional Firefighters for the Period January 1, 2020 through December 31, 2022 (CM)

Deputy City Manager Keys provided a presentation regarding the Memorandum of Understanding with the Lodi Professional Firefighters. Specific topics of discussion included three-year term from January 2020 through December 2022, longevity pay, continuation of driver/operator incentive, two-tier capping of vacation accrual rate, 17% salary adjustment, 3% CalPERS cost sharing, cost of \$1.9 million over three years, and costs already incorporated into mid-year budget.

Council Member Mounce made a motion, second by Council Member Chandler, to adopt Resolution No. 2020-45 approving the Memorandum of Understanding between the City of Lodi and Lodi Professional Firefighters for the period January 1, 2020 through December 31, 2022.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

H-5 Adopt Resolutions Approving the Memorandums of Understanding Between the City of Lodi and AFSCME (General Services and Maintenance & Operators Units) for the Period January 1, 2020 through December 31, 2022 (CM)

Deputy City Manager Keys provided a presentation regarding the Memorandums of Understanding between the City of Lodi and AFSCME General Services and Maintenance & Operators units. Specific topics of discussion included contract including the General Services and Maintenance & Operators units; three-year term of contract; benefits for General Services, including incentives for certifications for Public Inspectors and increase in amount for reimbursement for safety glasses; benefits for M&O, including additional \$10,000 AD&D life insurance, increases to standby compensation, off-duty text messaging or email compensation, and incorporation of a previous side letter agreement regarding biohazard incentive; 5% salary adjustments over the next three years; provision for protection against health insurance premiums for employees earning \$47,000 or less per year; CalPERS cost share of 1% effective in July 2020, January 2021, and January 2022; General Services cost of just over \$1.2 million Citywide with \$635,000 in the General Fund; \$1,459,000 for M&O with no funds coming from the General Fund; and costs included in mid-year budget adjustments.

Council Member Mounce made a motion, second by Council Member Chandler, to adopt Resolutions No. 2020-46 and No. 2020-47 approving the Memorandums of Understanding between the City of Lodi and AFSCME (General Services unit and Maintenance & Operator unit, respectively) for the period January 1, 2020 through December 31, 2022.

VOTE:

The above motion carried by the following vote:

Ayes: Council Member Chandler, Council Member Mounce, Mayor Pro Tempore Nakanishi, and Mayor Kuehne

Noes: None

Absent: None

I. Ordinances – None

J. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 8:32 p.m. in memory of Council Member Bob Johnson, who passed away on February 26, 2020, and Diane Craig, wife of Lodi Memorial Hospital Foundation President Wayne Craig, who passed away on February 25, 2020.

ATTEST:

Pamela M. Farris  
Assistant City Clerk