



## **LINDSAY CITY COUNCIL REGULAR MEETING AGENDA**

City Hall, 251 E. Honolulu St., Lindsay, CA 93247

Notice is hereby given that the Lindsay City Council will hold a Regular Meeting on February 23, 2021 in person and via webinar. The webinar address for members of the public is

[https://www.bigmarker.com/griswold\\_lasalle/February-23-2021-Lindsay-Council-Meeting](https://www.bigmarker.com/griswold_lasalle/February-23-2021-Lindsay-Council-Meeting).

Persons with disabilities who may need assistance should contact the City Clerk at least 24 hours prior to the meeting at (559) 562-7102 ext. 8011 or via email at [lindsay.cityclerk@lindsay.ca.us](mailto:lindsay.cityclerk@lindsay.ca.us).

### **1. CALL TO ORDER**

### **2. ROLL CALL**

### **3. PLEDGE**

Led by Council Member Sanchez.

### **4. PUBLIC COMMENT**

The public is invited to comment on any subject under the jurisdiction of the Lindsay City Council. Please note that speakers that wish to comment on a Regular Item or Public Hearing on tonight's agenda will have an opportunity to speak when public comment for that item is requested by the Mayor.

Comments shall be limited to three (3) minutes per person, with thirty (30) minutes for the total comment period, unless otherwise indicated by the Mayor.

The public may also choose to submit a comment before the meeting via email. Public comments received via email will be distributed to the Council prior to the start of the meeting and incorporated into the official minutes; however, they will not be read aloud.

### **5. COUNCIL REPORT**

### **6. CITY MANAGER REPORT**

### **7. PRESENTATIONS**

- 7.1 City of Lindsay FY 19-20 Annual Audit and Comprehensive Annual Financial Report  
(CAFR) (pp. 1-119)

*Presented by Mitesh Desai, CPA Principal, Badawi & Associates*

- 7.2 City of Lindsay Public Safety Update

*Presented by Chief Chris Hughes*

## 8. **CONSENT CALENDAR**

Routine items approved in one motion unless item is pulled for discussion.

- 8.1 Minutes from February 9, 2021 City Council Regular Meeting (pp. 120-122)
- 8.2 Warrant List for February 1, 2021 through February 15, 2021 (pp. 123-126)
- 8.3 Consider Approval of Extension of City Engineer and City Surveyor Agreement with QK, Inc. (pp. 127-132)
- 8.4 Consider Approval of Extension of Master Engineering Services Agreements with Consultants (pp. 133-137)

## 9. **ACTION ITEMS**

- 9.1 Consider Approval of Application for Funding from the 2020 CDBG Program and Business Guidelines for Business Assistance Payment Program (pp. 138-155)
  - a. Consider Adoption of **Resolution No. 21-03**, Approving an Application for Funding and the Execution of a Grant Agreement from the 2020 Community Development Block Grant Program
  - b. Consider Adoption of **Resolution No. 21-04**, Approving the Community Development Block Grant Coronavirus Aid Small Business Relief Stabilization Program Guidelines

*Presented by Mayra Espinoza-Martinez, City Clerk*

- 9.2 Consider Approval of Agreement between the Lindsay Unified School District (LUSD) and the City of Lindsay for Use of the Lindsay Wellness Center Swimming Pool (pp. 156-165)

*Presented by Joseph M. Tanner, City Manager*

## 10. **DISCUSSION ITEMS**

- 10.1 Consider Approval of the 2021 City Council Meeting Calendar (pp. 166-167)

*Presented by Joseph M. Tanner, City Manager*

## 11. **REQUEST FOR FUTURE ITEMS**

## 12. **ADJOURNMENT**

Lindsay City Council meetings are held in the City Council Chambers at 251 E. Honolulu Street in Lindsay, California beginning at 6:00 P.M. on the second and fourth Tuesday of every month unless otherwise noticed. Materials related to an Agenda item submitted to the legislative body after distribution of the Agenda Packet are available for public inspection in the office of the City Clerk during normal business hours. Complete agenda is available at [www.lindsay.ca.us](http://www.lindsay.ca.us). In compliance with the Americans with Disabilities Act & Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the office of the Deputy City Clerk at (559) 562-7102 x 8025. Notification 48 hours prior to the meeting will enable the City to ensure accessibility to this meeting and/or provision of an alternative format of the agenda and documents in the agenda packet.



## STAFF REPORT

TO: Lindsay City Council  
FROM: Kingsley Okereke, Interim Finance Director  
DEPARTMENT: Finance  
ITEM NO.: 7.1  
MEETING DATE: February 23, 2021

### **ACTION & RECOMMENDATION**

City of Lindsay FY 19-20 Annual Audit and Comprehensive Annual Financial Report (CAFR)

This is a receive and file item. No formal council action is required.

### **BACKGROUND | ANALYSIS**

As required by the City of Lindsay municipal code section 3.01.100 (Independent Audit), the annual audit for the fiscal year ended June 30, 2020 was conducted by the independent accounting firm of Badawi & Associates (the auditors).

The goal of the independent audit is to provide reasonable assurance that the financial statements of the city for the fiscal year ended June 30, 2020, are free of material misstatements. The audit was conducted in accordance with accounting principles generally accepted in the United States. The auditors found that the City's financial statements presents fairly, in all material respects the financial positions of the city governmental and business-type activities, essentially a clean audit opinion.

However, the auditors in course of their audit found some instances of noncompliance and other internal control matters (significant deficiencies) that are required to be reported under Government Auditing Standards. These issues are described in the accompanying schedule of findings and responses. The non-compliance comments were mostly related to the prior years misapplication of grant monies which, the city resolved in September 2020 pursuant to a settlement agreement with the California Housing and Community Development Department (HCD). The other comments relate to process improvements that the city needs to implement to enhance internal controls

### **FISCAL IMPACT**

The total budgeted allocation for the FY 19-20 annual audit is \$34,370 which, is paid equitably by the City's governmental and business-type funds/activities.



## STAFF REPORT

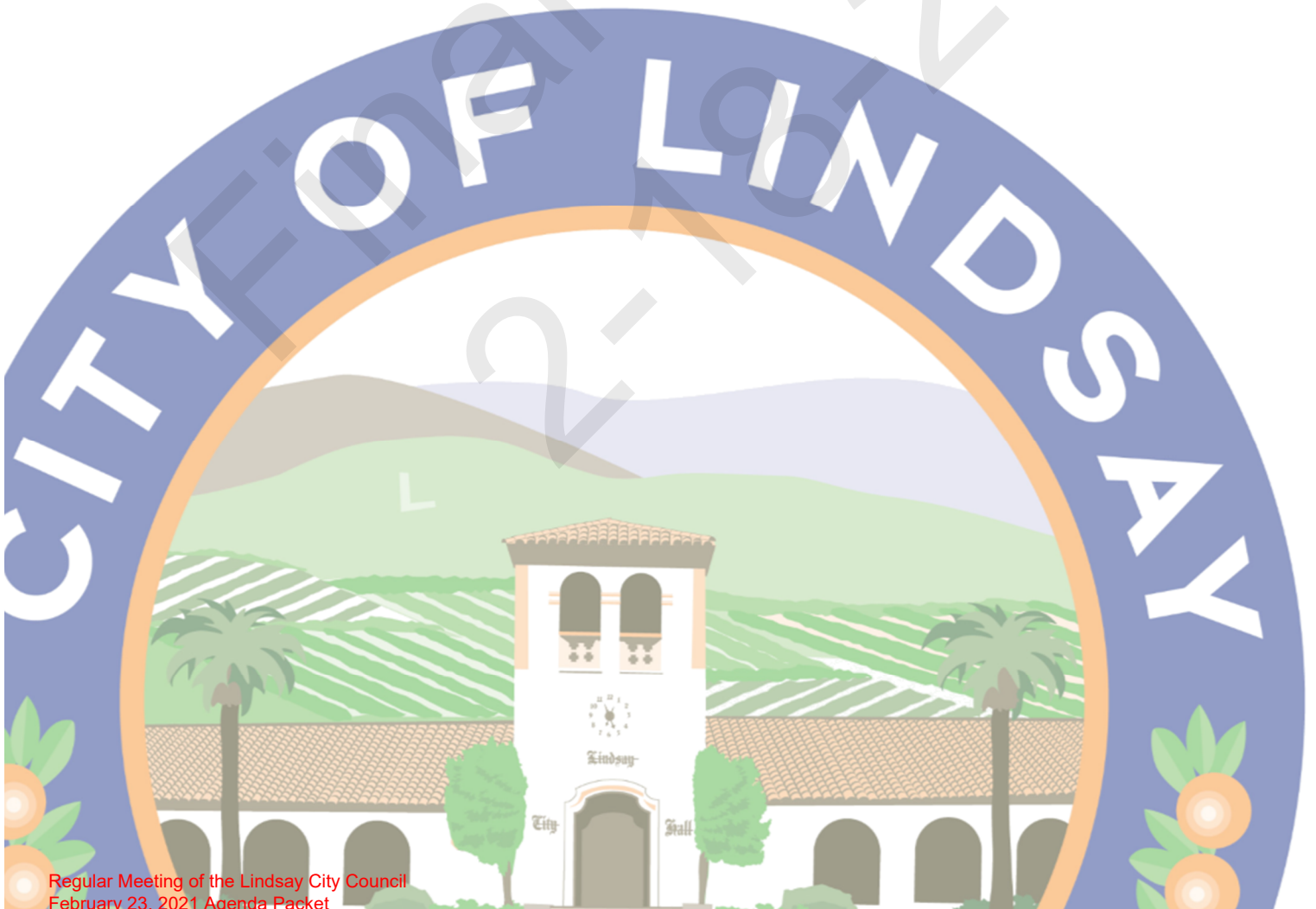
### ATTACHMENTS

- **DRAFT** FY 19-20 Comprehensive Annual Financial Report of the City of Lindsay including Schedule of Findings and Responses For the year ended June 30, 2020  
*Final report to be presented at the Regular City Council Meeting on February 23, 2021*

# Basic Financial Statements

---

Fiscal Year 2019-2020



Final Draft  
2-18-21

**City of Lindsay**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Table of Contents**

	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal.....	iii
City of Lindsay Department Organization .....	v
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditor’s Report .....</b>	<b>1</b>
<b>Management’s Discussion and Analysis.....</b>	<b>5</b>
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	23
Statement of Activities .....	24
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet.....	28
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	29
Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities .....	31
Proprietary Fund Financial Statements:	
Statement of Net Position.....	32
Statement of Revenues, Expenses and Changes in Fund Net Position .....	34
Statement of Cash Flows .....	36



**City of Lindsay**  
**Basic Financial Statements**  
**For the year ended June 30, 2020**

**Table of Contents**

	<u>Page</u>
<b><u>FINANCIAL SECTION, Continued</u></b>	
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position .....	38
Statement of Changes in Fiduciary Net Position .....	39
Notes to Basic Financial Statements .....	41
<b>Required Supplementary Information (Unaudited):</b>	
Budget to Actuals:	
Statement of Revenues, Expenditures, and Changes in Fund Balance – General Fund .....	89
Statement of Revenues, Expenditures, and Changes in Fund Balance – Local Transportation Fund .....	91
Defined Benefit Pension Plan:	
Schedule of the City’s Proportionate Share of the Net Pension Liability – Last 10 Years .....	92
Schedule of Contributions – Last 10 Years .....	92
Other Post-Employment Benefits (OPEB):	
Schedule of Changes in the City’s Net OPEB Liability and Related Ratios – Last 10 Years .....	93
<b>Supplementary Information:</b>	
General Fund:	
Combining Balance Sheet .....	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	100
Non-Major Governmental Funds:	
Combining Balance Sheet .....	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	105
<b>Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....</b>	<b>107</b>

January 29, 2021

Honorable Mayor Caudillo and City Council Members

City of Lindsay, California

The comprehensive annual financial report of the City of Lindsay (the City) for the year ended June 30, 2020, is hereby submitted in accordance with Section 3.15 of the City Charter and California state law. The ordinance requires the City issue a report on its financial position and activity annually. An independent firm of certified public accountants must audit this report annually. Pursuant to these requirements, we hereby issue this annual financial report of the City for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of the City. To provide a reasonable basis for making these representations, management of the City employs a comprehensive internal control framework to protect the City's assets from loss, theft, or misuse and to compile sufficient, reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls provides reasonable, rather than absolute, assurance the financial statements are free from material misstatement. We assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Badawi & Associates, a licensed certified public accountant firm. The goal of the independent audit is to provide reasonable assurance the financial statements of the City for the fiscal year ended June 30, 2020, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor found the City's financial statements for fiscal year ended June 30, 2020 to present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Lindsay did not have any major federal projects or programs that met the \$750,000 threshold to require a separate Single Audit report per the Federal Single Audit Act of 1984 and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance); therefore, the City is exempt from that reporting requirement for the fiscal year ended June 30, 2020. Audit findings previously denoted in that report will be included as a supplementary section, entitled Summary Schedule of Findings and Responses, that can be found at the end of this report.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter

of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### *Profile of the Government*

The City of Lindsay incorporated in 1910, as a general law city of the State of California, and reclassified to a Charter City January 8, 1996, filed with the State of California in April 1996. Lindsay is in the middle of the state in the Central San Joaquin Valley. The Central Valley is a national and world leader in the agricultural industry, with dairy, citrus and deciduous crops the primary commodity around the Lindsay area. The City of Lindsay currently occupies an incorporated area of 2.41 square miles with an urban development boundary of 3.9 square miles and serves a population of 13,463 (2019) an increase of 13.1% since 2010.

The City of Lindsay operates under the council-manager form of government. Policymaking and legislative authority are vested in a governing council consisting of the mayor and four other members. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with two council members elected in one election and three elected in another election, separated by two years.

The mayor is selected from among the council members, by the council members, and serves a two-year term. All five council members of the governing board are elected at large. The council is responsible, among other things, for passing ordinances, adopting the budget, representing the City on other governmental committees, and hiring the City's manager and attorney. The city manager is responsible for carrying out policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments.

The City of Lindsay provides a full range of services, including general administration, human resources, treasury, finance, and accounting; risk management; police and fire protection, animal control, and code enforcement; the construction, maintenance, and cleaning of streets and other infrastructure; planning, zoning, building inspection, and development services; and community services including city parks, a skate park, and adult and youth recreational activities. The Wellness & Aquatic Center, water, sewer, and wastewater treatment and collection, and solid waste disposal services are provided through enterprise funds; disposal and recycling services are contracted with Mid Valley Disposal. Transit services are contracted with the Tulare County Transit Authority, the City maintains the bus stop shelters. It also administers and/or oversees grant programs and Curb & Gutter.

### *Acknowledgements*

The preparation of this document could not have been accomplished without the dedicated services of the entire staff of the Finance Department and staff members in the City Services department. I also express appreciation to the Mayor and City Council for their support in planning and conducting the financial operations of the City in a responsible, thoughtful manner. A special thank you to Badawi & Associates for their professional, exceptional work.

Respectfully,

Kingsley Okereke, Interim Director of Finance

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council  
of the City of Lindsay  
Lindsay, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lindsay, California (City) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the Honorable Mayor and Members of the City Council  
of the City of Lindsay  
Lindsay, California  
Page 2

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension information, other postemployment benefit information, and budgetary comparison information on pages 5-18 and 88-93 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, General Fund combining schedules, and combining and individual nonmajor fund financial statements on pages 98-105, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund combining schedules and combining and individual nonmajor fund financial statements on pages 98-105 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund combining schedules and combining and individual nonmajor fund financial statements on pages 98-105 are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council  
of the City of Lindsay  
Lindsay, California  
Page 3

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated Month XX, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Badawi and Associates  
Certified Public Accountants  
Berkeley, California  
Month XX, 2020

Final Draft  
2-18-21

*This page intentionally left blank*



# City of Lindsay

## Management's Discussion and Analysis

### For the year ended June 30, 2020

---

As management of the City of Lindsay (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2020. We encourage readers to consider the information in the Transmittal Letter and Management's Discussion & Analysis as they review the financial statements. The narratives give valuable context and insightful analysis. All amounts, unless otherwise indicated, are expressed in thousands of dollars (\$000's). Unless noted otherwise, fiscal year refers to the fiscal year ended June 30, 2020.

#### BACKGROUND

The context of Lindsay's current financial condition began in the mid-2000's when the City enjoyed a seemingly endless flow of grant awards. The grants were for housing, community development, economic development, and freeze relief. Management worked to execute their grand, innovative plans to enrich and expand the quality of life in the community while the economy was favorable, and the City had ample available grant money.

The City provided hundreds of grant-funded home loans at the peak of the housing boom, built low-to-moderate housing subdivisions, created the McDermont Field House (an 185,000 square foot athletic and entertainment center) out of an old packing plant, built the Wellness & Aquatic Center, and renovated its downtown.

Unfortunately, the growth did not last. The housing bubble burst, the State took away redevelopment funding, and grant money stopped dwindled. The City could not maintain what it had built, let alone sustain ongoing growth. Within a few short years, Lindsay came to an economic standstill without the money it needed to complete or maintain what it had started. Compounding the situation were turnover in administration, reduction in staffing, combining of departments, shrinking revenues, escalating costs, and a series of audits by funding agencies. The City was not able to maintain its general operations or operations at McDermont or the Wellness & Aquatic Center.

In February 2017, City Council declared a fiscal emergency, placed a successful 1% transactions and use tax measure on the June 2017 special election ballot, and initiated a recovery plan. The City has been taking proactive and meaningful steps to turn the City around. One step was to outsource the management and operations of McDermont Field House which dramatically reduced staffing levels on January 1, 2018. Another was to adopt ordinances allowing the retail selling and wholesale cultivation of cannabis. These new revenue initiatives and cost cutting measures put the city on a robust recovery path in fiscal year 2020, which unfortunately is being dampened by the covid-19 fallout.



# City of Lindsay

## Management's Discussion and Analysis

### For the year ended June 30, 2020

---

The City still faces significant challenges including escalating CalPERS pension costs, lack of reserves in the City's general fund (for contingencies), and the utility funds for future capital improvement needs. These factors led the California State Auditor's Office to classify the City of Lindsay in its top 10 list of cities at high financial risk. The City has since negotiated favorable agreements to repay misapplied grant and subvention funds, and implemented and enhanced its internal controls.

#### FINANCIAL STATEMENT FUNCTIONALITY

This discussion and analyses are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include:

- |   |                        |
|---|------------------------|
| 1. Government-wide financial statements | <i>high-level view</i> |
| 2. Fund financial statements            | <i>summary view</i>    |
| 3. Notes to the financial statements    | <i>detailed view</i>   |

This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements provide the broadest view of the City's financial condition.

The **statement of net position** presents information for the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position at a specific point in time. The reader can think of the statement of net position as a snapshot of the City on the last day of the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the fiscal year. The reader may think of the statement of activities as the report that shows what happened between last year's statement of net position (a snapshot in time) and this year's statement of net position (another snapshot in time). The statement of activities shows changes in net position based on when events (a revenue or an expenditure) happened rather than reporting based solely on when the related cash transaction finishes. Sometimes the related cash transaction happens and is recorded at the same time as the revenue or expenditure, yet other times it happens afterward. Consequently, revenues and expenditures are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned-but-unused vacation leave).

# City of Lindsay

## Management's Discussion and Analysis

### For the year ended June 30, 2020

---

The government-wide financial statements distinguish functions principally supported by taxes and intergovernmental revenues (governmental activities) from other functions supported in full or in part by cost recoveries known as user fees and charges (business-type activities). The governmental activities of the City include general administration, public safety, parks and recreation, public works, streets, transportation, and community development. The business-type activities of the City include water, sewer, and refuse services, as well as the Lindsay Wellness & Aquatic Center. The Wellness & Aquatic Center provides fee-based entertainment, facility rental, and recreational events and activities for the community and other Central Valley residents.

The government-wide financial statements have changed substantially from previous years due to the dissolution of the Lindsay Redevelopment Agency (LRA); all financial information relevant to the former LRA is now accounted for, as an integral part of these financial statements, in the Private-Purpose Trust Fund, a fiduciary fund established to manage the assets and debt of the former agency. The Water, Sewer, Refuse, Wellness Center function for all practical purposes as departments of the City, and therefore have been included as an integral part of the primary government. The General Fund will absorb the McDermont Fund now that the City does not operate it.

**Fund financial statements.** A fund is a grouping of related accounts used to maintain control over specific resources segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories:

- Governmental funds,
- Proprietary funds, and
- Fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

# City of Lindsay

## Management's Discussion and Analysis

### For the year ended June 30, 2020

---

The City maintains nine individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Community Development, and Local Transportation Funds, all of which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

**Proprietary funds.** The City maintains one proprietary fund type called Enterprise Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer, Refuse, and Wellness Center Funds. The City absorbed the McDermont Fund previously reported as a separated enterprise fund into the General Fund because the City has contracted out its operations to a private entity.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the financial statements.** The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. Please see the table of contents for page numbers.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found by referring to the index of this report.

## FINANCIAL HIGHLIGHTS

The total assets and deferred outflows of resources of the City exceeded its total liabilities and deferred inflows of resources at the close of the Fiscal Year (FY) 2020 by \$64.470 million (*net position*). Of this amount, \$ (10,206 million) is unrestricted, \$16,233 is restricted for specific purposes, and \$58.444 million is the net investment in capital assets.

- Compared to FY 2019, the City's total net position increased \$1.471 million, or 2%, during FY 2020.

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

---

- During the fiscal year, the city reached a substantive settlement agreements in the amount of \$3.791 million with a grantor agencies (California Housing and Community Development), which affords the city a manageable repayment schedule over time of certain previously demanded lump sum repayment amounts. See Note 6A.
- During the fiscal year, the city entered into a service agreement with a private entity to operate the McDermont operations. Hence, the McDermont enterprise fund of the city was closed, and the related assets and liabilities transferred to the general fund. Hence, there's a net transfer of \$17.441 million of the McDermont Sports complex assets and liabilities from business-type activities to governmental activities. See Note 3B

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve as a useful indicator of a government's financial position over time. Net Position provides a snapshot in time at the end of the fiscal year. Monitoring net position over time gives an indication of the general health of the City. In FY 2020, the City's net position increased from \$62.999 million to \$64.470 million, indicating a stronger financial position. It is important to recognize that much of the net position is based on net investment in capital assets, which are not liquid (or easily converted to cash).

Of the City's net position, the net investment in capital assets of \$58.444 million represents its investment in capital assets (e.g., land buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The net position balance of \$6.027 million is composed of \$16.233 million restricted funds and (\$10.206) million unrestricted funds. Net position may be restricted for capital projects, debt service payments, public right of way and other external commitments.

The schedule below is a condensed version of the City's statement of net position for fiscal year ended June 30, 2020 with comparative data from the previous fiscal year.

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

City of Lindsay's Net Position  
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>ASSETS</b>						
Current and other assets	\$ 20,561	\$ 19,002	\$ 1,383	\$ 968	\$ 21,944	\$ 19,970
Capital assets	46,216	25,163	26,570	45,836	72,786	70,999
Total assets	66,777	44,165	27,953	46,804	94,730	90,969
<b>DEFERRED OUTFLOWS</b>						
Deferred outflows of resources	1,967	2,161	370	462	2,337	2,623
<b>LIABILITIES</b>						
Current liabilities	1,690	4,061	756	933	2,446	4,994
Noncurrent liabilities	16,569	10,874	13,047	14,230	29,616	25,104
Total liabilities	18,259	14,935	13,803	15,163	32,062	30,098
<b>DEFERRED INFLOWS</b>						
Deferred inflows of resources	449	406	89	89	538	495
<b>NET POSITION</b>						
Net investment in capital assets	43,060	22,926	15,384	33,176	58,444	56,102
Restricted	16,233	17,673	-	-	16,233	17,673
Unrestricted	(9,258)	(9,614)	(949)	(1,162)	(10,207)	(10,776)
Total net position	\$ 50,035	\$ 30,985	\$ 14,435	\$ 32,014	\$ 64,470	\$ 62,999

The next table (City of Lindsay's Change in Net Position) provides a condensed statement of changes in net position with comparative amounts on revenues and expenses for the current and prior year.

**Governmental activities.** The City's governmental activities rely on several sources of revenue to finance ongoing operations. The most significant are (1) Other Taxes, which includes sales/transactions & use taxes, and (2) Capital Grants and Contributions, which are monies received from parties outside the City and are generally restricted for use in capital activities such as streets improvements and transportation related activities.

The City's governmental activities net position increased by \$14.541 million to \$50.036 million as of June 30, 2020. The increase is largely due to the net transfer of \$17.342 million of the McDermont Sports complex assets and liabilities from business-type activities to governmental activities. During the fiscal year, the city entered into a service agreement with a private entity to operate the McDermont operations.

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

**Business-type activities.** The net position of the city's business-type activities amounted to \$14.435 million as of June 30, 2020, a decrease of \$17.034 million from prior fiscal year. The change in net position is primarily due to the net transfer of \$17.342 million of the McDermont Sports complex assets and liabilities from business-type activities to governmental activities. During the fiscal year, the city entered into a service agreement with a private entity to operate the McDermont operations. Hence, the McDermont enterprise fund of the city was closed, and the related assets and liabilities transferred to the general fund.

City of Lindsay's Change in Net Position  
(amounts expressed in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
<b>PROGRAM REVENUES</b>						
Charges in Services	\$ 337	\$ 305	\$ 4,541	\$ 4,472	\$ 4,878	\$ 4,777
Operating grants and contributions	867	984	-	-	867	984
Capital grants and contributions	2,633	2,151	-	-	2,633	2,151
<b>GENERAL REVENUES</b>						
Property taxes	363	358	-	-	363	358
Other taxes	4,773	4,529	-	-	4,773	4,529
Miscellaneous	440	1,220	308	595	748	1,815
Transfers	17,342	(41)	(17,342)	41	-	-
Special items	(4,551)	(885)	-	885	(4,551)	-
<b>TOTAL REVENUES</b>	<b>22,204</b>	<b>8,621</b>	<b>(12,493)</b>	<b>5,993</b>	<b>9,711</b>	<b>14,614</b>
<b>EXPENSES</b>						
General government	1,367	1,291	-	-	1,367	1,291
Public safety	3,255	2,666	-	-	3,255	2,666
Parks and recreation	706	232	-	-	706	232
Public works	1,355	1,425	-	-	1,355	1,425
Streets and transportation	573	924	-	-	573	924
Community development	246	229	-	-	246	229
Interest on long-term debt	161	103	-	-	161	103
Water Fund	-	-	1,908	1,842	1,908	1,842
Sewer Fund	-	-	1,297	1,307	1,297	1,307
Refuse Fund	-	-	1,006	899	1,006	899
McDermont Fund	-	-	-	589	-	589
Wellness Center Fund	-	-	875	839	875	839
<b>TOTAL EXPENSES</b>	<b>7,663</b>	<b>6,870</b>	<b>5,086</b>	<b>5,476</b>	<b>12,749</b>	<b>12,346</b>
<b>NET POSITION</b>						
Change in Net Position	14,541	1,751	(17,579)	517	(3,038)	2,268
Net position - beginning	30,985	29,441	32,014	31,290	62,999	60,731
Prior period adjustments	4,510	(207)	-	207	4,510	-
Net position - beginning (restated)	35,495	29,234	32,014	31,497	67,509	60,731
Net position - ending	\$ 50,036	\$ 30,985	\$ 14,435	\$ 32,014	\$ 64,471	\$ 62,999

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

**CITY'S FUNDS FINANCIAL ANALYSIS**

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

**General Fund**

The General Operating Fund is the primary operating fund of the city and include several roll-up funds. For the fiscal year ended June 30, 2020, overall on-going general fund revenue came in higher than prior year excluding one-time revenue item in the prior year. The major general fund revenues realized in the fiscal year including property tax, sales tax, utility user tax, and other taxes were higher than previous year. Taxes make up about 85% of total governmental activities revenues. Total tax revenue was \$5.944 million for the fiscal year, an increase of \$260 thousand over last year. Additional tax revenue is anticipated in the next fiscal year mainly from the new cannabis retail outlet in the city.

Total governmental expenditures for the fiscal year amounted to \$7.072 million, a decrease of \$372 thousand or 5% from the prior year. These were across the board cut back and savings from general operations excluding public safety.

The Capital outlay for the fiscal year totaled about \$2.060 million, and includes projects executed for streets asphalt rehabilitation and overlay, and rubber cape seal on city streets and arterial ways.

General Fund	FY 2020	FY 2019	\$ Change	% Change
<b>Revenues</b>				
Property taxes	363	358	5	1%
Other taxes	5,581	5,326	255	5%
Licenses and permits	254	218	36	17%
Intergovernmental	213	194	19	10%
Charges for services	9	8	1	13%
Fees and fines	190	169	21	12%
Interest revenue	25	9	16	178%
Other revenues	394	1,224	(830)	-68%
<b>Total Revenues</b>	<b>7,029</b>	<b>7,506</b>	<b>(477)</b>	<b>-6%</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	773	807	(34)	-4%
Public safety	2,841	2,596	245	9%
Parks and recreation	167	197	(30)	-15%
Public works	508	532	(24)	-5%
Streets and transportation	190	250	(60)	-24%
Community development	108	181	(73)	-40%
<b>Debt Service</b>				
Principal	309	79	230	291%
Interest and administrative charges	116	59	57	97%
Capital Outlay	2,060	2,743	(683)	-25%
<b>Total Expenditures</b>	<b>7,072</b>	<b>7,444</b>	<b>(372)</b>	<b>-5%</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(43)</b>	<b>62</b>	<b>(105)</b>	<b>-169%</b>



**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

---

**Proprietary funds.**

The City outsourced the management of McDermont Sports Complex previously reported as an enterprise fund activity of the city. The McDermont Fund assets and liabilities has now been rolled into the General Fund. The General Fund absorbed the responsibility of paying the debt service on the building and providing structural building maintenance as a landlord.

**Water**

The Water fund continues to struggle financially. For the fiscal year ended June 30, 2020, the Water fund ended with an operating loss of \$150 thousand including the depreciation and amortization charge of \$297 thousand. Staff has initiated a review of the water enterprise finances including service fees/rates set up. The results and necessary recommendations to improve the financial outlook of the water enterprise will be presented to the city council in fiscal year 2021. During the current fiscal year, the city replaced the casing on well 14 and well 15, a rehabilitation that significantly improved the water quality and efficiency of the wells.

Water	FY 2020	FY 2019	\$ Change	% Change
Operating Revenues				
Service Fees	1,701	1,643	58	4%
Other revenues	(1)	(1)	-	0%
<b>Total Operating Revenues</b>	<b>1,701</b>	<b>1,643</b>	<b>58</b>	<b>4%</b>
Operating Expenses				
Current				
Salaries	312	331	(19)	-6%
Benefits	391	333	58	17%
Materials, services, and supplies	850	837	13	2%
Depreciation and amortization	297	285	12	4%
<b>Total Operating Expenses</b>	<b>1,850</b>	<b>1,786</b>	<b>64</b>	<b>4%</b>
<b>Operating Income (Loss)</b>	<b>(150)</b>	<b>(144)</b>	<b>(6)</b>	<b>4%</b>



**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

***Sewer***

The Sewer Fund ended the fiscal year with an operating profit of \$407 thousand. Expenses remained relatively stable while revenue declined slightly by 3% compared to prior year. There were minor repairs in the system including certain bar screen repairs during the fiscal year.

Sewer	FY 2020	FY 2019	\$ Change	% Change
Operating Revenues				
Service Fees	1,533	1,587	(54)	-3%
Other revenues	-	-	-	-
<b>Total Operating Revenues</b>	<b>1,533</b>	<b>1,587</b>	<b>(54)</b>	<b>-3%</b>
Operating Expenses				
Current				
Salaries	149	135	14	10%
Benefits	126	159	(33)	-21%
Materials, services, and supplies	447	441	6	1%
Depreciation and amortization	404	394	10	3%
<b>Total Operating Expenses</b>	<b>1,126</b>	<b>1,129</b>	<b>(3)</b>	<b>0%</b>
<b>Operating Income (Loss)</b>	<b>407</b>	<b>458</b>	<b>(51)</b>	<b>-11%</b>

***Refuse***

The Refuse service fee revenue totaled \$1.025 million, an increase of 7% over last year. Expenses for the year increased as well totaling \$1.006 million, and about 6% over last year. These increases were because of the approved inflation adjustment to the rates and contract service costs during the fiscal year.

Refuse	FY 2020	FY 2019	\$ Change	% Change
Operating Revenues				
Service Fees	1,025	961	64	7%
Other revenues	2	5	(3)	-60%
<b>Total Operating Revenues</b>	<b>1,027</b>	<b>966</b>	<b>61</b>	<b>6%</b>
Operating Expenses				
Current				
Salaries	33	34	(1)	-3%
Benefits	53	45	8	18%
Materials, services, and supplies	920	820	100	12%
Depreciation and amortization	-	-	-	-
<b>Total Operating Expenses</b>	<b>1,006</b>	<b>899</b>	<b>107</b>	<b>12%</b>
<b>Operating Income (Loss)</b>	<b>21</b>	<b>67</b>	<b>(46)</b>	<b>-69%</b>

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

***Wellness & Aquatic Center***

The Wellness & Aquatic Center generated revenues of \$280 thousand for the fiscal year, and basically about the same as last year. Expenses including depreciation and amortization for the year totaled \$790 thousand, an increase of 5% over last year. The resulting operating loss is covered with intergovernmental grants and contributions. The Lindsay Hospital District makes an annual contribution of \$233 and the City transfers funds to cover the Center's operating loss. In FY 2020, the City and Lindsay Hospital District signed a new funding agreement to ensure ongoing operations at the Center.

Wellness & Aquatic Center	FY 2020	FY 2019	\$ Change	% Change
Operating Revenues				
Service Fees	280	276	4	1%
Other revenues	-	-	-	-
<b>Total Operating Revenues</b>	<b>280</b>	<b>276</b>	<b>4</b>	<b>1%</b>
Operating Expenses				
Current				
Salaries	165	180	(15)	-8%
Benefits	157	101	56	55%
Materials, services, and supplies	271	275	(4)	-1%
Depreciation and amortization	197	197	-	0%
<b>Total Operating Expenses</b>	<b>790</b>	<b>753</b>	<b>37</b>	<b>5%</b>
<b>Operating Income (Loss)</b>	<b>(510)</b>	<b>(477)</b>	<b>(33)</b>	<b>7%</b>

***McDermont Sports Complex Fund***

This fund was closed during the year, and related activities will be reported in the General Fund going forward.

**CAPITAL ASSETS**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$72.786 million (net of accumulated depreciation) compared to \$70.044 million in FY 2019. This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads, highways, and bridges. Note 5 details capital assets.

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

**LONG-TERM DEBT & LIABILITIES ADMINISTRATION**

**Long-term debt.** The City's long-term debt includes capital leases, settlement liabilities, and compensated absences in addition to bonds and certificates of participation. At the end of the current fiscal year, the City had total debt outstanding of \$19.185 million. State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation for fiscal year 2019 per Tulare County Assessor. The City Charter Section 9.05A sets a 10% limitation. The current debt for the City complies with State and local statutes.

A summary of the City's long term debt for fiscal year ended June 30, 2020 is presented below:

	Balance June 30, 2019	Transfers	Net Change During Year	Balance June 30, 2020	Due Within One Year
<b>Governmental Activities</b>					
2008 USDA RD Roads COP	965	-	(80)	885	83
2008 USDA RD Roads COP	413	-	(20)	393	21
Capital lease - fire truck	666	-	(62)	604	65
Caltrans settlement	349	-	(50)	299	50
HCD Settlement	-	-	3,791	3,791	10
TCTA Settlement	734	-	(52)	682	52
2012 Taxable Revenue Bond	-	1,220	1,095	1,095	130
Bond Issuance Discout	-	(23)	(19)	(19)	3
Compensated absences	200	-	(171)	216	72
<b>Total Governmental Activities</b>	<b>3,327</b>	<b>1,197</b>	<b>4,432</b>	<b>7,946</b>	<b>486</b>
<b>Business-Type Activities</b>					
2007 USDA Wellness Center COP	1,985	-	(47)	1,938	49
1993 CSCDA Refuding Bonds	-	-	-	-	-
1999 USDA RD Waste Water Expansion	4,866	-	(165)	4,701	171
2000 USDA RD Water Line Projects	1,665	-	(55)	1,610	57
2004 USDA RD Waste Water Project	375	-	(9)	366	10
2012 Taxable Lease Revenue	1,220	(1,220)	-	-	-
Bond Issuance Discount	(23)	23	-	-	-
Lindsay Olive Growers Pond Closure	2,571	-	-	2,571	-
Compensated absences	48	-	5	53	17
<b>Total Business-Type Activities</b>	<b>12,707</b>	<b>(1,197)</b>	<b>(1,468)</b>	<b>11,239</b>	<b>304</b>
<b>Combined</b>	<b>16,034</b>	<b>-</b>	<b>3,151</b>	<b>19,185</b>	<b>790</b>

**New debt.** The City had a significant addition to its long-term debt in FY 2020. On September 8, 2020, the City entered into a settlement agreement with the California Housing and Community Development Department (HCD) in the total amount of \$3,790,786 for repayment of improperly accounted for funds in violation of the grant conditions. The City is required to make an initial payment of \$10 thousand on the date of agreement and thereafter, make annual payments of \$89,360 until the remaining balance equals \$1,100,000, which would be forgiven at that time. See Note 6A

**Lindsay Olive Growers Pond Closure.** The City is continuing to explore opportunities with other governments and entities for assistance in handling this pond closure costs.

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City General Fund experienced some noteworthy variances from budget to actual in FY 2020, as identified below: See also Page 89 – Budgetary Comparison Schedule.

1. Overall, the general fund budget to actual results at year end shows a revenue over expenditure balance of \$1.134 million. Revenues came in higher than budget by about \$388 thousand while expenditures totaled \$4.938 million and about \$339 thousand below budget. See Page 89 Budgetary Comparison schedule.
2. Sales tax, utility tax, other taxes, fees/fines, and licenses/permits all came in higher than budgeted. Property tax declined slightly by about \$5 thousand for the fiscal year.
3. On the expenditure side, the favorable variance of \$339 thousand realized was largely due to the various cost containment measures in effect during the fiscal year. Holding the line on hiring, deferral of equipment and capital purchases, and overall austerity posture due to Covid concerns contributed to the budgetary savings.

**Reconciliation of General  
Fund Budgetary Schedule**

	General Fund	Public Safety Asset Forfeiture	Street Improvement	COVID-19	Park Improvement	Capital Projects	Total General Fund
Total revenues	\$ 6,071,615	\$ 272	\$ 905,905	\$ -	\$ 4,606	\$ 47,045	\$ 7,029,443
Total expenditures	4,937,810	-	49,861	75,834	-	2,009,191	7,072,696
Excess (deficiency) of revenues over (under) expenditures	1,133,805	272	856,044	(75,834)	4,606	(1,962,146)	(43,253)
Total other financing sources (u)	43,053	-	(790,518)	-	-	2,016,273	1,268,808
Special items	2,564,731	-	-	-	-	-	2,564,731
Net change in fund balance	3,741,589	272	65,526	(75,834)	4,606	54,127	3,790,286
Beginning of year, restated	(1,261,698)	30,053	656,759	-	7,133	(54,127)	(621,880)
End of year	\$ 2,479,891	\$ 30,325	\$ 722,285	\$ (75,834)	\$ 11,739	\$ -	\$ 3,168,406

**City of Lindsay**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2020**

---

**ECONOMIC FACTORS & NEXT YEAR'S BUDGET**

**Economic Factors.** The economic impact of the Covid pandemic has been a major concern over the past year. Economic projections indicate a depressed outlook over the short term followed by a robust recovery hinged on mass vaccinations that will enable return to normal economic activities. The impact on City of Lindsay has been mild as reflected in the relatively stable revenue receipts during the fiscal year. The city is still focused on meeting current demands, reversing negative fund balances, meeting debt service demands, and rebuilding infrastructure while managing budget constraints.

- Property tax, sales tax and Measure O tax are expected to remain stable. The new cannabis retail tax revenue continues to grow.
- The City will continue to pursue cost containment measures as appropriate, but will be looking to add critical positions and items that will enable the city sustain services to the community, and ensure compliance to standard operational practices and procedures.
- The city will continue to pursue business retention initiatives, and new economic development opportunities (new developments and businesses) that will create employment and generate property tax and sales tax revenues for the City.

**Next Year's Budget.**

- The City adopted a deficit General Fund budget in FY2021. However, as of December 30, 2020 mid-year budget review, revenues are performing better than budgeted while expenditures are trending lower than budget. The City fully expects to end the fiscal year 2021 budget year with a favorable general fund balance.
- The Water enterprise fund presents a challenge as revenues barely covers operating expenses leaving no provisions for unplanned maintenance and other necessary capital work to keep the system running safely and efficient. Staff is currently evaluating available options including rates adjustment for City Council review and consideration.
- The development of the FY 2022 budget is in process. The City looks to adopt a balanced budget that provide the requisite resources necessary to maintain service to the Lindsay community.

**INFORMATION REQUESTS**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance, P.O. Box 369, City of Lindsay, CA 93247 (559) 562-7102.

---

# BASIC FINANCIAL STATEMENTS

---

Final Draft  
2-18-21

*This page intentionally left blank*

---

# GOVERNMENT-WIDE FINANCIAL STATEMENTS

---

Final Draft  
2-18-21



*This page intentionally left blank*

**City of Lindsay**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 6,315,502	\$ 952,825	\$ 7,268,327
Accounts receivable, net	278,358	471,010	749,368
Interest receivable	4,231	-	4,231
Internal balances	40,773	(40,773)	-
Due from other governments	916,445	-	916,445
Notes receivable	13,006,017	-	13,006,017
Total current assets	20,561,326	1,383,062	21,944,388
Non-current assets:			
Capital assets			
Nondepreciable	2,934,112	486,828	3,420,940
Depreciable, net	43,282,146	26,083,169	69,365,315
Net capital assets	46,216,258	26,569,997	72,786,255
Total non-current assets	46,216,258	26,569,997	72,786,255
<b>Total assets</b>	<b>66,777,584</b>	<b>27,953,059</b>	<b>94,730,643</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows from pensions	1,729,480	327,106	2,056,586
Deferred outflows from OPEB	237,550	42,676	280,226
<b>Total deferred outflows of resources</b>	<b>1,967,030</b>	<b>369,782</b>	<b>2,336,812</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts and other payables	239,580	237,309	476,889
Accrued wages	145,413	45,143	190,556
Accrued interest	44,795	160,803	205,598
Refundable deposits	14,584	7,870	22,454
Due to other governments	760,338	-	760,338
Long-term debt - current portion	485,536	304,484	790,020
Total current liabilities	1,690,246	755,609	2,445,855
Non-current liabilities:			
Long-term debt	7,460,605	10,934,253	18,394,858
Net OPEB liability	1,499,128	459,112	1,958,240
Net pension liability	7,609,363	1,653,173	9,262,536
Total non-current liabilities	16,569,096	13,046,538	29,615,634
<b>Total liabilities</b>	<b>18,259,342</b>	<b>13,802,147</b>	<b>32,061,489</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pensions	419,785	76,309	496,094
Deferred inflows from OPEB	29,781	9,121	38,902
<b>Total deferred inflows of resources</b>	<b>449,566</b>	<b>85,430</b>	<b>534,996</b>
<b>NET POSITION</b>			
Net investment in capital assets	43,060,484	15,383,979	58,444,463
Restricted	16,283,005	-	16,283,005
Unrestricted	(9,257,783)	(948,715)	(10,206,498)
<b>Total net position</b>	<b>\$ 50,085,706</b>	<b>\$ 14,435,264</b>	<b>\$ 64,520,970</b>

**City of Lindsay**  
**Statement of Activities**  
**For the year ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General Government	\$ 1,367,400	\$ 1,377	\$ 640,336	\$ -	\$ 641,713
Public Safety	3,254,791	137,677	226,565	-	364,242
Parks and recreation	706,098	41,735	-	-	41,735
Public works	1,355,266	-	-	-	-
Streets and transportation	573,287	-	-	2,632,951	2,632,951
Community development	245,923	156,449	-	-	156,449
Interest on long-term debt	161,039	-	-	-	-
Total governmental activities	7,663,804	337,238	866,901	2,632,951	3,837,090
Business-type activities:					
Water Fund	1,907,730	1,701,147	-	-	1,701,147
Sewer Fund	1,297,036	1,533,136	-	-	1,533,136
Refuse Fund	1,005,980	1,027,135	-	-	1,027,135
Wellness Center Fund	875,345	279,980	-	-	279,980
Total business-type activities	5,086,091	4,541,398	-	-	4,541,398
Total primary government	\$ 12,749,895	\$ 4,878,636	\$ 866,901	\$ 2,632,951	\$ 8,378,488

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>			
<b>Governmental activities:</b>			
General Government	\$ (725,687)	\$ -	\$ (725,687)
Public Safety	(2,890,549)	-	(2,890,549)
Parks and recreation	(664,363)	-	(664,363)
Public works	(1,355,266)	-	(1,355,266)
Streets and transportation	2,059,664	-	2,059,664
Community development	(89,474)	-	(89,474)
Interest on long-term debt	(161,039)	-	(161,039)
Total governmental activities	(3,826,714)	-	(3,826,714)
<b>Business-type activities:</b>			
Water Fund	-	(206,583)	(206,583)
Sewer Fund	-	236,100	236,100
Refuse Fund	-	21,155	21,155
Wellness Center Fund	-	(595,365)	(595,365)
Total business-type activities	-	(544,693)	(544,693)
<b>Total primary government</b>	<b>\$ (3,826,714)</b>	<b>\$ (544,693)</b>	<b>\$ (4,371,407)</b>
<b>General Revenues, transfers, and special item:</b>			
Taxes:			
Property taxes	363,302	-	363,302
Sales taxes	1,061,649	-	1,061,649
Measure O taxes	1,148,106	-	1,148,106
Utilities users' tax	996,886	-	996,886
Other taxes	1,565,550	-	1,565,550
Other income	360,081	299,937	660,018
Unrestricted investments earnings	80,351	8,351	88,702
Transfers	17,342,485	(17,342,485)	-
Special item:			
Settlement of housing programs (Note 16)	(4,501,124)	-	(4,501,124)
<b>Total general revenues, transfers, and special item</b>	<b>18,417,286</b>	<b>(17,034,197)</b>	<b>1,383,089</b>
<b>Change in net position</b>	<b>14,590,572</b>	<b>(17,578,890)</b>	<b>(2,988,318)</b>
<b>Net position - beginning of year</b>	<b>30,984,598</b>	<b>32,014,154</b>	<b>62,998,752</b>
<b>Prior period adjustment</b>	<b>4,510,536</b>	<b>-</b>	<b>4,510,536</b>
<b>Net position - beginning of year, as restated</b>	<b>35,495,134</b>	<b>32,014,154</b>	<b>67,509,288</b>
<b>Net position - end of year</b>	<b>\$ 50,085,706</b>	<b>\$ 14,435,264</b>	<b>\$ 64,520,970</b>

*This page intentionally left blank*

---

# FUND FINANCIAL STATEMENTS

---

*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

Final Draft  
2-18-21

**City of Lindsay**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2020**

	Major Funds				
	General Fund	Community Development Fund	Local Transportation Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,640,503	\$ 760,338	\$ 2,074,219	\$ 840,442	\$ 6,315,502
Accounts receivable, net	277,455	-	-	903	278,358
Interest receivable	-	-	4,231	-	4,231
Due from other funds	40,773	-	-	-	40,773
Due from other governments	571,269	-	155,670	189,506	916,445
Notes receivable	-	13,002,248	-	3,769	13,006,017
Total assets	\$ 3,530,000	\$ 13,762,586	\$ 2,234,120	\$ 1,034,620	\$ 20,561,326
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 227,072	\$ -	\$ -	\$ 12,508	\$ 239,580
Accrued wages	133,977	1,671	-	9,765	145,413
Due to other governments	-	760,338	-	-	760,338
Refundable deposits	545	14,039	-	-	14,584
Total liabilities	361,594	776,048	-	22,273	1,159,915
Fund Balances:					
Restricted	-	13,036,538	2,234,120	1,012,347	16,283,005
Assigned	764,349	-	-	-	764,349
Unassigned	2,404,057	-	-	-	2,404,057
Total fund balances	3,168,406	13,036,538	2,234,120	1,012,347	19,451,411
Total liabilities and fund balances	\$ 3,530,000	\$ 13,812,586	\$ 2,234,120	\$ 1,034,620	\$ 20,611,326

# City of Lindsay

## Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2020

---

Total Fund Balances - Total Governmental Funds	\$	19,451,411
--	----	------------

Amounts reported for governmental activities in the Statement of Net Position were different from those reported in the Governmental Funds above because of the following:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. The capital assets were adjusted as follows:

Non-depreciable	2,934,112
Depreciable, net	43,282,146
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in Governmental Funds Balance Sheet.	(44,795)

In the Government-Wide Financial Statement certain differences between actuarial estimates and actual results for pension and OPEB are deferred and amortized over a period of time, however, in the governmental funds no transactions are recorded.	1,517,464
---	-----------

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet:

Net pension liability	(7,609,363)
Net OPEB liability	(1,499,128)
Long term liabilities - due within one year	(485,536)
Long term liabilities - due in more than one year	(7,460,605)

<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>50,085,706</b>
--	-----------	-------------------

---



**City of Lindsay**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2020**

	Major Funds			Non-Major	Total
	General	Community	Local	Governmental	Governmental
	Fund	Development	Transportation	Funds	Funds
		Fund	Fund		
<b>REVENUES:</b>					
Property taxes	\$ 363,302	\$ -	\$ -	\$ -	\$ 363,302
Sales taxes	1,061,649	-	-	-	1,061,649
Measure O taxes	1,148,106	-	-	-	1,148,106
Utilities users' taxes	996,886	-	-	-	996,886
Other taxes	1,477,246	-	-	-	1,477,246
Street improvement program	897,075	-	-	64,074	961,149
Licenses and permits	254,241	-	-	-	254,241
Intergovernmental	213,187	-	1,325,986	939,553	2,478,726
Charges for services	8,850	-	-	-	8,850
Fees and fines	190,315	-	-	169	190,484
Interest revenue	24,992	22,618	20,915	10,242	78,767
Other revenues	393,594	15	-	-	393,609
<b>Total revenues</b>	<b>7,029,443</b>	<b>22,633</b>	<b>1,346,901</b>	<b>1,014,038</b>	<b>9,413,015</b>
<b>EXPENDITURES:</b>					
Current:					
General government	772,906	-	-	63,059	835,965
Public safety	2,841,521	-	-	-	2,841,521
Parks and recreation	166,701	-	-	-	166,701
Public works	507,754	-	-	-	507,754
Streets and transportation	190,141	56	9,192	503,965	703,354
Community development	108,002	82,036	-	-	190,038
Debt service:					
Principal	309,222	-	79,298	-	388,520
Interest and administrative charges	115,928	-	41,630	-	157,558
Capital outlay	2,060,521	-	10,362	15,371	2,086,254
<b>Total expenditures</b>	<b>7,072,696</b>	<b>82,092</b>	<b>140,482</b>	<b>582,395</b>	<b>7,877,665</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(43,253)</b>	<b>(59,459)</b>	<b>1,206,419</b>	<b>431,643</b>	<b>1,535,350</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,468,808	-	-	-	1,468,808
Transfers out	(200,000)	(18,630)	(695,208)	(653,885)	(1,567,723)
<b>Total other financing sources (uses)</b>	<b>1,268,808</b>	<b>(18,630)</b>	<b>(695,208)</b>	<b>(653,885)</b>	<b>(98,915)</b>
<b>SPECIAL ITEM:</b>					
Settlement of housing programs (Note 16)	2,564,731	(3,275,069)	-	-	(710,338)
<b>Net change in fund balances</b>	<b>3,790,286</b>	<b>(3,353,158)</b>	<b>511,211</b>	<b>(222,242)</b>	<b>726,097</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year, as restated	(621,880)	16,389,696	1,722,909	1,234,589	18,725,314
End of year	\$ 3,168,406	\$ 13,036,538	\$ 2,234,120	\$ 1,012,347	\$ 19,451,411

# City of Lindsay

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2020

---

Net Change in Fund Balances - Total Governmental Funds	\$	726,097
--	----	---------

Amounts reported for governmental activities in the Statement of Activities were different because:

Governmental funds reported asset acquisitions as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period.	2,216,321
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(1,533,199)
Accrued compensated leave payable was an expenditure in governmental funds, but the accrued payable increased compensated leave liabilities in the Government-Wide Statement of Net Position.	(16,116)
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reflected in the net OPEB liability in the Government-Wide Statement of Net Position. OPEB expense is recorded as incurred in the Government-Wide Statement of Activities, however, OPEB expense is not recognized in the governmental funds. This is the net amount of the OPEB contribution and OPEB expense	(96,471)
Long-term debt proceeds provided current financial resources to governmental funds, but issuing debt increased debt in the Government-Wide Statement of Net Position. Repayment of long-term debt principal was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Recognition of HCD settlement	(3,790,786)
Amortization of original issue discount	(3,481)
Long-term debt repayments	388,520
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position. Pension expense is recorded as incurred in the Government-Wide Statement of Activities, however, pension expense is not recognized in the governmental funds. This is the net amount of the pension contribution and pension expense	(741,713)
Change in Net Position of Governmental Activities	\$ (2,850,828)

**City of Lindsay**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2020**

		Enterprise Funds		
		Water Fund	Sewer Fund	Refuse Fund
<b>ASSETS</b>				
Current assets:				
Cash and equivalents		\$ -	\$ 759,756	\$ 165,450
Accounts receivable, net		61,957	225,361	139,072
Total current assets		61,957	985,117	304,522
Non-current assets:				
Capital assets:				
Construction in progress		6,982	-	-
Land		68,377	230,143	-
Buildings and improvements		5,104,546	6,800,531	-
Infrastructure		10,203,642	12,896,903	-
Equipment		109,967	281,592	-
Less accumulated depreciation		(6,708,502)	(10,373,556)	-
Total non-current assets		8,785,012	9,835,613	-
<b>Total assets</b>		<b>8,846,969</b>	<b>10,820,730</b>	<b>304,522</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pensions		165,722	110,025	24,970
Deferred outflows from OPEB		7,893	18,475	4,965
<b>Total deferred outflows</b>		<b>173,615</b>	<b>128,500</b>	<b>29,935</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts and other payables		55,673	23,821	153,698
Accrued wages		20,313	9,781	2,123
Accrued interest		30,499	89,126	-
Due to other funds		40,773	-	-
Refundable deposits		7,870	-	-
Compensated absences payable - current portion		6,894	4,753	1,695
Bonds and other long-term debt - current portion		57,590	180,288	-
Total current liabilities		219,612	307,769	157,516
Non-current liabilities:				
Net OPEB liability		216,042	129,107	34,696
Net pension liability		769,684	480,932	136,952
Compensated absences payable		13,787	9,506	3,390
Bonds and other long-term debt		1,552,373	7,457,980	-
Total non-current liabilities		2,551,886	8,077,525	175,038
<b>Total liabilities</b>		<b>2,771,498</b>	<b>8,385,294</b>	<b>332,554</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pensions		35,580	23,190	6,312
Deferred inflows from OPEB		4,292	2,565	689
<b>Total deferred inflows of resources</b>		<b>39,872</b>	<b>25,755</b>	<b>7,001</b>
<b>NET POSITION</b>				
Net investment in capital assets		7,175,049	2,197,345	-
Unrestricted		(965,835)	340,836	(5,098)
<b>Total net position</b>		<b>\$ 6,209,214</b>	<b>\$ 2,538,181</b>	<b>\$ (5,098)</b>

Enterprise Funds			
McDermont Sports Complex Fund	Wellness Center Fund	Total Proprietary Funds	
\$ -	\$ 27,619	\$ 952,825	
-	44,620	471,010	
-	72,239	1,423,835	
-	-	6,982	
-	181,326	479,846	
-	8,631,783	20,536,860	
-	824,260	23,924,805	
-	48,571	440,130	
-	(1,736,568)	(18,818,626)	
-	7,949,372	26,569,997	
-	8,021,611	27,993,832	
-	26,389	327,106	
-	11,343	42,676	
-	37,732	369,782	
-	4,117	237,309	
-	12,926	45,143	
-	41,178	160,803	
-	-	40,773	
-	-	7,870	
-	4,231	17,573	
-	49,033	286,911	
-	111,485	796,382	
-	79,267	459,112	
-	265,605	1,653,173	
-	8,463	35,146	
-	1,888,754	10,899,107	
-	2,242,089	13,046,538	
-	2,353,574	13,842,920	
-	11,227	76,309	
-	1,575	9,121	
-	12,802	85,430	
-	6,011,585	15,383,979	
-	(318,618)	(948,715)	
\$ -	\$ 5,692,967	\$ 14,435,264	

# City of Lindsay

## Statement of Revenues, Expenses and Changes in Fund Net Position

### Proprietary Funds

For the year ended June 30, 2020

	Enterprise Funds		
	Water Fund	Sewer Fund	Refuse Fund
<b>OPERATING REVENUES:</b>			
Service fees	\$ 1,700,621	\$ 1,533,136	\$ 1,025,140
Other revenues	526	-	1,995
<b>Total operating revenues</b>	<b>1,701,147</b>	<b>1,533,136</b>	<b>1,027,135</b>
<b>OPERATING EXPENSES:</b>			
Salaries	311,760	148,597	32,597
Benefits	391,390	126,127	53,215
Materials, services, and supplies	849,687	446,757	920,168
Depreciation and amortization	297,285	404,109	-
<b>Total operating expenses</b>	<b>1,850,122</b>	<b>1,125,590</b>	<b>1,005,980</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(148,975)</b>	<b>407,546</b>	<b>21,155</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Intergovernmental	-	-	-
Other income	11,202	-	1,373
Contributions to governmental activities	-	-	-
Interest earnings	150	5,965	2,224
Interest expense	(57,608)	(171,446)	-
<b>Total nonoperating revenues (expenses)</b>	<b>(46,256)</b>	<b>(165,481)</b>	<b>3,597</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	-
Transfers out	(35,534)	(65,551)	-
<b>Total transfers</b>	<b>(35,534)</b>	<b>(65,551)</b>	<b>-</b>
<b>Change in net position</b>	<b>(230,765)</b>	<b>176,514</b>	<b>24,752</b>
<b>NET POSITION:</b>			
Beginning of year	6,439,979	2,361,667	(29,850)
End of year	\$ 6,209,214	\$ 2,538,181	\$ (5,098)

Enterprise Funds		
McDermont Sports Complex Fund	Wellness Center Fund	Total Proprietary Funds
\$ -	\$ 279,980	\$ 4,538,877
-	-	2,521
-	279,980	4,541,398
-	165,505	658,459
-	157,316	728,048
-	270,616	2,487,228
-	196,635	898,029
-	790,072	4,771,764
-	(510,092)	(230,366)
-	233,721	233,721
-	53,641	66,216
(17,441,400)	-	(17,441,400)
-	12	8,351
-	(85,273)	(314,327)
(17,441,400)	202,101	(17,447,439)
-	200,000	200,000
-	-	(101,085)
-	200,000	98,915
(17,441,400)	(107,991)	(17,578,890)
17,441,400	5,800,958	32,014,154
\$ -	\$ 5,692,967	\$ 14,435,264

**City of Lindsay**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2020**

	Enterprise Funds		
	Water Fund	Sewer Fund	Refuse Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash receipts from customers	\$ 1,679,697	\$ 1,538,903	\$ 997,346
Payments to employees	(542,741)	(233,268)	(65,240)
Payments to suppliers	(837,562)	(441,357)	(902,766)
<b>Net cash provided by (used in) operating activities</b>	<b>299,394</b>	<b>864,278</b>	<b>29,340</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Grant income	-	-	-
Cash received from other funds	40,773	-	-
Other income	11,352	5,965	3,597
Transfers in	-	-	-
Transfers out	(35,534)	(65,551)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>16,591</b>	<b>(59,586)</b>	<b>3,597</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of capital assets	(206,799)	(100,892)	-
Interest paid on long-term debt	(58,666)	(174,581)	-
Principal payments on long-term debt	(54,719)	(174,512)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(320,184)</b>	<b>(449,985)</b>	<b>-</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(4,199)</b>	<b>354,707</b>	<b>32,937</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<b>4,199</b>	<b>405,049</b>	<b>132,513</b>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<b>\$ -</b>	<b>\$ 759,756</b>	<b>\$ 165,450</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (148,975)	\$ 407,546	\$ 21,155
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	297,285	404,109	-
Changes in assets, deferred outflows and inflows of resources, and liabilities:			
(Increase) decrease in accounts receivable	(22,050)	5,767	(29,789)
(Increase) decrease in deferred outflows of resources - deferred pension	42,477	23,826	12,000
(Increase) decrease in deferred outflows of resources - deferred OPEB	-	(14,279)	(4,006)
Increase (decrease) in accounts and other payables	12,125	5,400	17,402
Increase (decrease) in accrued wages	3,879	1,638	218
Increase (decrease) in refundable deposits	600	-	-
Increase (decrease) in compensated absences payable	2,302	1,047	209
Increase (decrease) in net OPEB liability	64,040	11,703	3,406
Increase (decrease) in net pension liability	49,786	18,110	9,120
Increase (decrease) in deferred inflows of resources - deferred pension	(1,132)	(412)	(207)
Increase (decrease) in deferred inflows of resources - deferred OPEB	(943)	(177)	(168)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 299,394</b>	<b>\$ 864,278</b>	<b>\$ 29,340</b>
<b>NONCASH ITEMS:</b>			
Contribution to governmental activities	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements

Enterprise Funds		
McDermont Sports Complex Fund	Wellness Center Fund	Total Proprietary Funds
\$ -	\$ 281,656	\$ 4,497,602
-	(277,334)	(1,118,583)
-	(272,997)	(2,454,682)
-	(268,675)	924,337
-	233,721	233,721
-	-	40,773
-	53,653	74,567
-	200,000	200,000
-	-	(101,085)
-	487,374	447,976
-	-	(307,691)
-	(85,273)	(318,520)
-	(47,034)	(276,265)
-	(132,307)	(902,476)
-	86,392	469,837
-	(58,773)	482,988
\$ -	\$ 27,619	\$ 952,825
\$ -	\$ (510,092)	\$ (230,366)
-	196,635	898,029
-	1,676	(44,396)
-	41,339	119,642
-	(9,183)	(27,468)
-	(2,381)	32,546
-	(2,867)	2,868
-	-	600
-	1,256	4,814
-	(16,019)	63,130
-	31,421	108,437
-	(715)	(2,466)
-	255	(1,033)
\$ -	\$ (268,675)	\$ 924,337
\$ 17,441,400	\$ -	\$ 17,441,400



**City of Lindsay**  
**Statement of Fiduciary Net Position (Deficit)**  
**Fiduciary Fund**  
**June 30, 2020**

	Private-Purpose Trust Fund
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,054,467
Notes receivable	834,516
Other assets	378
<b>Total assets</b>	<b>1,889,361</b>
<b>LIABILITIES</b>	
Accounts payable	57
Accrued interest payable	187,336
Long-term debt:	
Due within one year	1,017,698
Due in more than one year	11,010,000
<b>Total liabilities</b>	<b>12,215,091</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred gain on refunding of debt	365,074
<b>Total deferred inflows of resources</b>	<b>365,074</b>
<b>NET POSITION (DEFICIT)</b>	
Net position (deficit) held in trust	(10,690,804)
<b>Total net position (deficit)</b>	<b>\$ (10,690,804)</b>

**City of Lindsay**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Fund**  
**For the year ended June 30, 2020**

	Private-Purpose Trust Fund
<b>ADDITIONS:</b>	
Redevelopment Agency Property Tax Trust Fund	\$ 2,187,946
Other income	7,895
<b>Total additions</b>	<b>2,195,841</b>
<b>DEDUCTIONS:</b>	
Administrative expenses	87,754
Interest on long-term debt	450,984
<b>Total Deductions</b>	<b>441,922</b>
<b>Change in net position</b>	<b>1,753,919</b>
<b>NET POSITION (DEFICIT):</b>	
Beginning of year, as restated	(12,444,723)
End of year	<b>\$ (10,690,804)</b>

*This page intentionally left blank*

---

# NOTES TO BASIC FINANCIAL STATEMENTS

---

Final Draft  
2-18-21

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Lindsay, California (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. *Financial Reporting Entity***

The City of Lindsay incorporated in 1910, as a general law city of the State of California, and reclassified to a Charter City January 8, 1996, filed with the State of California in April 1996. Lindsay is located in the middle of the state in the Central San Joaquin Valley. The Central Valley is considered to be a national and world leader in the agricultural industry, with dairy, citrus, and deciduous crops the primary commodity around the Lindsay area. The City of Lindsay currently occupies an incorporated area of 2.41 square miles with an urban development boundary of 3.9 square miles and serves a population of 13,358 (2019) – an increase of 14% since 2010.

**B. *Basis of Accounting and Measurement Focus***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity with its own self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses. These funds are established for the purpose of carrying out specific activities or certain objectives in accordance with specific regulations, restrictions or limitations. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

**Government-Wide Financial Statements**

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of Governmental and Business-Type Activities for the City accompanied by a total column.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

**Government-Wide Financial Statements, Continued**

These financial statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets, deferred inflows/outflows of resources, and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liabilities are incurred.

Certain types of transactions reported as program revenues for the City are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advanced to/from other funds
- Transfers in/out

The City applies all applicable GASB pronouncements including all NCGA Statements and Interpretations currently in effect.

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that meet specific qualifications.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

**Governmental Fund Financial Statements, Continued**

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

The City reports the following funds as major governmental funds of the City.

General Fund is the City’s primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Community Development Fund accounts for all financial transactions having to do with the Community Development Block Grant Program and First-Time Homebuyers Program of the Federal Department of Housing and Urban Development for low-interest housing rehabilitation and mortgage assistance loans.

Local Transportation Fund accounts for Transportation Development Act funds for the development and support of public transportation needs.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally those received 60 days after year-end) are recognized when due. The primary revenue sources that have been treated as susceptible to accrual by the City are property taxes, taxpayer-assessed tax revenues (sales taxes, transient occupancy taxes, franchise taxes, etc.), grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided.

**Proprietary Fund Financial Statements**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows for all proprietary funds.

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

**Proprietary Fund Financial Statements, Continued**

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the Water, Sewer, Refuse, and Wellness Center Funds as proprietary funds of the City.

Water Fund accounts for the activities of the water distribution system.

Sewer Fund accounts for the activities of the sewage pumping stations, treatment plant, and laboratory.

Refuse Fund accounts for the activities of the refuse collection and recycling.

McDermont Sports Complex Fund accounted for the activities of the McDermont Field House Sports and Recreation Center (McDermont Sports Complex).

Wellness Center Fund accounts for the activities of the Wellness Center and Aquatic Center.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has one private-purpose trust fund. The private-purpose trust fund accounts for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Fiduciary funds are accounted for using the accrual basis of accounting. The City reports the following fiduciary fund:

Private-Purpose Trust Fund accounts for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***C. Cash, Cash Equivalents, and Investments***

The City pools cash and investments of all funds, except amounts held by fiscal agents. The Council invests on behalf of most funds of the City in accordance with the California State Government Code and the City's investment policy.

Investments are reported in the accompanying balance sheet at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Cash deposits are reported at carrying amount which reasonably estimates fair value. Managed funds not listed on an established market are reported at the estimated fair value as determined by the respective fund managers based on quoted sales prices of the underlying securities.

Participant's equity in an investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expenses, are apportioned to pool participants annually. During the fiscal year ended June 30, 2020, the City had not entered into any legally binding guarantees to support the participant equity in the investment pool.

The City pools cash resources from all funds in order to facilitate the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No. 3)*, certain disclosure requirements for Deposits and Investment Risks were made in the following areas:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other disclosures.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***C. Cash, Cash Equivalents, and Investments, Continued***

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The City does not have any investments that are measured using Level 3 inputs.

The City participates in an investment pool managed by the State of California entitled Local Agency Investment Fund (LAIF) which has invested a portion of the pooled funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to the change in interest rates.

Cash equivalents are considered amounts in demand deposits and short-term investments with a maturity date within three months of the date acquired by the City and are presented as "Cash and Investments" in the accompanying Basic Financial Statements.

For the purposes of the accompanying statement of cash flows, the City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

***D. Inventory and Prepaids***

Governmental funds inventories are valued at average cost using the first-in/first-out (FIFO) method and are recorded as expenditures when consumed rather than when purchased. Business-type funds inventories are stated at cost using the FIFO method and consist of expendable materials and supplies.

Any payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

Fund balance is reserved for inventories and prepaids, if any, to indicate that a portion of fund balance is not available for appropriation and not expendable, available financial resources.

Inventory in proprietary funds is comprised of supplies for resale and are slated at the lower of cost or market on a FIFO basis.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***E. Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$15,000 (amount not rounded) and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, equipment, and infrastructure of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	50
Public domain infrastructure	50
System infrastructure	30
Vehicle	5
Office equipment	5
Computer equipment	5

***F. Unearned revenue***

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements from federal and state projects and programs received before eligibility requirements are met are recorded as unearned revenue.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***G. Compensated Absences***

Accumulated vested unpaid employee vacation and compensatory time-off benefits are recognized as liabilities of the City. Governmental funds recognize the current portion of the liabilities at year- end, while the non-current portion of these liabilities is recognized in the general long-term debt account group. Proprietary funds record the full liability as the vested benefits to the employees accrue.

Sick leave benefits are accumulated without limit for each employee. The employees do not gain a vested right to accumulated sick leave. Accumulated employee sick leave benefits are not recognized as liabilities of the City since payment of such benefits is not probable. Therefore, sick leave benefits are recorded as expenditures in the period that the sick leave is taken.

***H. Long-Term Debt***

Government-Wide Financial Statements – Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Bond premiums and discounts are amortized over the life of the bonds using the effective interest method. Bonds payable is reported net of the applicable bond premium or discount. Bond issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred.

Fund Financial Statements – The governmental fund financial statements do not present long-term debt. As such, long-term debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts are recognized during the current period as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond proceeds are reported as other financing sources.

Proprietary Fund and Fiduciary Fund Financial Statements use the same principles as those used in the Government-Wide Financial Statements.

***I. Self-Insurance***

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). The purpose of this group is to minimize liability and workers' compensation expenses for cities in the central San Joaquin Valley. CSJVRMA provides statutory coverage for the City's workers' compensation risks. The City retains liability risks up to \$25,000 and shares risk with the pool to \$10,000,000.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***J. Property Taxes***

Tulare County is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions. Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and March 1. Unsecured property taxes are payable in one installment on or before August 31. Property taxes are accounted for in the General Fund and the Private-Purpose Trust Fund (formally the City's Redevelopment Agency). Property tax revenues are recognized when they become measurable and available to finance current liabilities.

The City is permitted by Article XIII A of the State of California Constitution (Proposition 13) to levy a maximum tax of 1% of assessed value, plus other increases as approved by the voters.

***K. Deferred Outflows/Inflows of Resources***

In addition to assets, the statement of net position (balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position (balance sheet) will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

***L. Encumbrances***

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

***M. Net Position***

In the Government-Wide Financial Statements, net position are classified in the following categories:

Net Investment in Capital Assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***M. Net Position, Continued***

Unrestricted - This amount is all net position that does not meet the definition of “net investment in capital assets” or “restricted net position” as defined above.

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the City’s policy is to apply restricted net position first.

***N. Fund Balance***

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned based primarily on the extent to which the City is bound to honor constraints on how specific amounts can be spent.

Nonspendable - Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact.

Restricted - Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional or enabling legislation.

Committed - Amounts constrained to specific purposes by the City itself, using the City’s highest level of decision-making authority (the City Council). To be reported as committed, amounts cannot be used for any other purpose unless the City takes the same highest level action to remove or change the constraint. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned - Amounts the City *intends* to use for a specific purpose. Intent can be expressed by the City at either the highest level of decision-making authority or by an official or body to which the City delegates the authority. This is also the classification for residual funds in the City’s special revenue funds.

Unassigned - The residual classification for the City’s General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The City establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved construction contracts. Assigned fund balance is established by the City through adoption or amendment of the budget or future year budget plan as intended for a specific purpose.



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***N. Fund Balance, Continued***

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, followed by the unrestricted committed, assigned, and unassigned resources as they are needed.

The City believes that sound financial management principles require that sufficient funds be retained by the City to provide a stable financial base at all times. To retain this stable financial base, the City needs to maintain unrestricted fund balance in its funds sufficient to fund cash flows of the City and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned, and unassigned fund balances are considered unrestricted.

The City strives to achieve and maintain unrestricted fund balance in the General Fund sufficient to cover approximately 6 months of working capital at the close of each fiscal year, which exceeds the recommended level (approximately 60 days working capital) promulgated by the Government Finance Officers Association (GFOA). However, as of June 30, 2020, the City had a deficit fund balance in its General Fund.

***O. Pension***

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pension, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***P. Other Post Employment Health Care Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***Q. Use of Estimates***

The preparation of the Basic Financial Statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amounts of revenues and expenses. Actual results could differ from these estimates and assumptions.

**2. CASH AND INVESTMENTS**

Cash, cash equivalents, and investments are reported in the accompanying basic financial statements as follows:

	Government-Wide Statement of Net Position		Fund Financials	
	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total
Cash, cash equivalents and investments	\$ 6,315,502	\$ 952,825	\$ 1,054,467	\$ 8,322,794
Total	\$ 6,315,502	\$ 952,825	\$ 1,054,467	\$ 8,322,794

***A. Summary of Cash and Investments***

Cash, cash equivalents, and investments as of June 30, 2020, consist of the following:

Cash on hand	\$ 700
Deposits with financial institution	4,356,004
<b>Total cash on hand and deposits</b>	<b>4,356,704</b>
Local Agency Investment Fund	3,781,403
Certificates of Deposit	184,687
Total investments	3,966,090
<b>Total City Treasury</b>	<b>8,322,794</b>
<b>Total cash and investments</b>	<b>\$ 8,322,794</b>

***B. Deposits***

The carrying amount of the City's cash deposit was \$4,356,004 at June 30, 2020. Bank balances before reconciling items were a positive amount of \$4,484,853 at June 30, 2020. The City's cash deposit was fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities held by the pledging financial institutions in the City's name.



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**2. CASH AND INVESTMENTS, Continued**

**B. Deposits, Continued**

The California Government Code (Code) Section 53652 requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**C. Investments**

Under the provisions of the City's investment policy, and in accordance with the Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Certificates of Deposit	5 years	None	10%
Passbook Deposits	N/A	None	None
Repurchase Agreements	1 year	30%	None
Mutual Funds	N/A	15%	None
Money Market Mutual Funds	N/A	25%	10%
Commercial Paper	270 days	30%	None
Local Agency Investment Fund (LAIF)	None	None	50 million

Investments are stated at fair value using the aggregate method in all funds, resulting in the following investment income in all funds for the year ended June 30, 2020:

Interest income	\$	9,489
Unrealized gain (loss) on changes in fair value of investments		19,790
<b>Total investment income (loss)</b>	<b>\$</b>	<b>29,279</b>

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**2. CASH AND INVESTMENTS, Continued**

**C. Investments, Continued**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2020, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2020, the City had \$3,781,403 invested in LAIF, which had invested 3.37% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.77% in the previous year. The LAIF fair value factor of 1.004912795 was used to calculate the fair value of the investments in LAIF.

**D. Risk Disclosures**

*Interest Risk:* Interest rate risk is the market value fluctuation due to overall changes in the interest rates. It is mitigated by limiting the average maturity of the City's portfolio not to exceed three years.

Investments held in the City Treasury grouped by maturity date at June 30, 2020, are shown below:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 - 24 Months	More than 24 Months
Certificates of Deposit	\$ 184,687	\$ 184,687	\$ -	\$ -
Local Agency Investment Fund	3,781,403	3,781,403	-	-
<b>Total</b>	<b>\$ 3,966,090</b>	<b>\$ 3,966,090</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**2. CASH AND INVESTMENTS, Continued**

***D. Risk Disclosures, Continued***

*Custodial Credit Risk:* For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. None of the City's investments were subject to custodial credit risk.

***E. Investment Valuation***

Investments (except for money market accounts, time deposits, and commercial paper) are measured at fair value on a recurring basis. *Recurring* fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment fair value measurements at June 30, 2020, are described below:

Investment Type	Fair Value	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments subject to leveling:				
Certificates of Deposit	\$ 184,687	\$ -	\$ 184,687	\$ -
<b>Total</b>	<b>184,687</b>	<b>\$ -</b>	<b>\$ 184,687</b>	<b>\$ -</b>
Investments not subject to leveling:				
Local Agency Investment Fund	3,781,403			
<b>Total Investments</b>	<b>\$ 3,966,090</b>			

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**3. INTERFUND TRANSACTIONS**

**A. Due To/From Other Funds**

At June 30, 2020, the City's General Fund reported a receivable due from the Water Enterprise Fund of \$40,773. The amount represents a short-term borrowing to cover a cash deficit.

**B. Transfers**

The City had the following transfers between funds during the year ended June 30, 2020:

Transfers Out	Transfers In		
	General Fund	Wellness Center Fund	Total
General Fund	\$ -	\$ 200,000	\$ 200,000
Community Development Fund	18,630	-	18,630
Local Transportation Fund	695,208	-	695,208
Non-Major Funds	653,885	-	653,885
Water Fund	35,534	-	35,534
Sewer Fund	65,551	-	65,551
Total	\$ 1,468,808	\$ 200,000	\$ 1,668,808

Transfers to the General Fund included transfers for capital projects and administration. Transfers from the General Fund to the Wellness Center Fund were to cover operating deficits.

In addition to the interfund transfers noted above, there was a transfer of \$17,441,400 from business-type activities to governmental activities for the transfer of assets and liabilities of the McDermont Sports Complex. The activities of the complex were no longer considered to have qualified for enterprise fund reporting, and as a result were transferred.

**C. Advances To/From Other Funds**

During the year, the City removed interfund advances recorded between the General Fund and the Community Development Special Revenue Fund due to an approved settlement agreement that resulted in an external long term payable.

As of June 30, 2020, the City did not report any advances to/from other funds.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**4. LOANS AND NOTES RECEIVABLE**

**A. Notes Receivable**

At June 30, 2020, the City's loans and notes receivable consisted of the following:

	Community Development Fund	Curb and Gutter Fund	Private- Purpose Trust Fund	Total
Individuals				
7% unsecured notes with annual principal and interest payments	\$ -	\$ 3,769	\$ -	\$ 3,769
Non-interest and below market rate secured notes with deferred payments of monthly principal and interest. Collateralized by trust deeds on improved property.	13,002,248	-	834,516	13,836,764
Total	<u>\$ 13,002,248</u>	<u>\$ 3,769</u>	<u>\$ 834,516</u>	<u>\$ 13,840,533</u>

**B. Related Party Transactions**

The City has entered into various loan agreements with City employees and relatives of City employees, under its First-Time Homebuyer and Micro-Loan Programs. The various loan types provided included Deferred Payment Loans (DPL), Deferred No Interest Loans (DNIL), No Interest Loans (NIL), and Below Market Interest Rate Loans (BMIR). All of the loan types mentioned are allowed under the programs. However, as discussed in Note 15, some of the loans were not compliant with the programs requirements. Total employee and employee relative loans totaled \$1,855,858 as of June 30, 2020.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**5. CAPITAL ASSETS**

**A. Government-Wide Financial Statements**

Capital assets activity for the year ended June 30, 2020, was as follows.

	July 1, 2019 Balance (as restated)	Additions	Reductions	Transfers	June 30, 2020 Balance
<b>Governmental activities</b>					
<i>Capital assets, not being depreciated</i>					
Land	\$ 2,466,699	\$ 250,000	\$ -	\$ 217,413	\$ 2,934,112
Construction in progress	1,991,899	87,689	-	(2,079,588)	-
Total capital assets, not being depreciated	4,458,598	337,689	-	(1,862,175)	2,934,112
<i>Capital assets, being depreciated</i>					
Buildings	3,985,066	-	-	22,987,873	26,972,939
Infrastructure	39,683,378	1,803,786	-	2,079,588	43,566,752
Machinery and equipment	4,155,558	74,846	-	1,740,545	5,970,949
Total capital assets, being depreciated	47,824,002	1,878,632	-	26,808,006	76,510,640
<i>Less accumulated depreciation for:</i>					
Buildings	(1,440,669)	(531,692)	-	(4,577,278)	(6,549,639)
Infrastructure	(20,671,055)	(811,770)	-	-	(21,482,825)
Machinery and equipment	(3,313,127)	(189,737)	-	(1,693,166)	(5,196,030)
Total accumulated depreciation	(25,424,851)	(1,533,199)	-	(6,270,444)	(33,228,494)
Total capital assets, being depreciated, net	22,399,151	345,433	-	20,537,562	43,282,146
Governmental activities capital assets, net	\$ 26,857,749	\$ 683,122	\$ -	\$ 18,675,387	\$ 46,216,258
<b>Business-type activities</b>					
<i>Capital assets, not being depreciated</i>					
Land	\$ 697,259	\$ -	\$ -	\$ (217,413)	\$ 479,846
Construction in progress	955,379	118,189	-	(1,066,586)	6,982
Total capital assets, not being depreciated	1,652,638	118,189	-	(1,283,999)	486,828
<i>Capital assets, being depreciated</i>					
Buildings	43,524,734	-	-	(22,987,873)	20,536,861
Infrastructure	22,858,219	-	-	1,066,586	23,924,805
Machinery and equipment	1,991,172	189,502	-	(1,740,545)	440,129
Total capital assets, being depreciated	68,374,125	189,502	-	(23,661,832)	44,901,795
<i>Less accumulated depreciation for:</i>					
Buildings	(11,580,008)	(410,466)	-	4,577,278	(7,413,196)
Infrastructure	(10,693,425)	(458,942)	-	-	(11,152,367)
Machinery and equipment	(1,917,608)	(28,621)	-	1,693,166	(253,063)
Total accumulated depreciation	(24,191,041)	(898,029)	-	6,270,444	(18,818,626)
Total capital assets, being depreciated, net	44,183,084	(708,527)	-	(17,391,388)	26,083,169
Business-type activities capital assets, net	\$ 45,835,722	\$ (590,338)	\$ -	\$ (18,675,387)	\$ 26,569,997

Governmental Activities' land was restated by \$1,695,000 for the inclusion of land previously transferred from the Successor Agency Trust Fund.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**5. CAPITAL ASSETS, Continued**

**A. Government-Wide Financial Statements, Continued**

Depreciation expense by program for capital assets for the year ended June 30, 2020, was as follows:

	Governmental
General government	\$ 20,668
Community development	55,885
Public safety	69,737
Public works	847,512
Parks and recreation	539,397
<b>Total depreciation expense</b>	<b>\$ 1,533,199</b>
	Business-Type
Water Fund	\$ 297,285
Sewer Fund	404,109
Wellness Center Fund	196,635
<b>Total depreciation expense</b>	<b>\$ 898,029</b>

**6. LONG-TERM DEBT**

A schedule of changes in long-term debt for the year ended June 30, 2020, is shown below.

	Balance July 1, 2019 (as restated)	Additions	Transfers	Deletions	Balance June 30, 2020	Due Within One Year
<b>Governmental Activities</b>						
Bonds:						
2012 Taxable Lease Revenue Refunding Bonds	\$ -	\$ -	\$ 1,220,000	\$ (125,000)	\$ 1,095,000	\$ 130,000
Bond Issuance Discount	-	-	(22,623)	3,481	(19,142)	3,481
Total Bonds	-	-	1,197,377	(121,519)	1,075,858	133,481
Direct Borrowings and Direct Placements:						
Certificates of Participation (COP)						
2008 USDARD Roads COP	964,752	-	-	(79,298)	885,454	82,668
2010 USDARD Library COP	412,874	-	-	(19,918)	392,956	20,714
Finance Purchase Agreement - fire truck	666,396	-	-	(62,021)	604,375	64,732
Total Direct Borrowings and Direct Placements:	2,044,022	-	-	(161,237)	1,882,785	168,114
TCTA settlement liability	733,910	-	-	(52,422)	681,488	52,062
Caltrans settlement liability	349,032	-	-	(49,861)	299,171	49,861
HCD settlement liability	-	3,790,786	-	-	3,790,786	10,000
Compensated Absences	199,937	187,131	-	(171,015)	216,053	72,018
Total Governmental Activities	\$ 3,326,901	\$ 3,977,917	\$ 1,197,377	\$ (556,054)	\$ 7,946,141	\$ 485,536

Governmental Activities' long-term debt was restated for the inclusion of the TCTA settlement liability of \$733,910 that was previously reported as other payables.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

	Balance July 1, 2019	Additions	Transfers	Deletions	Balance June 30, 2020	Due Within One Year
<b>Business-Type Activities</b>						
Bonds:						
2012 Taxable Lease Revenue Refunding Bonds	\$ 1,220,000	\$ -	\$ (1,220,000)	\$ -	\$ -	\$ -
Bond Issuance Discount	(22,623)	-	22,623	-	-	-
Total Bonds	1,197,377	-	(1,197,377)	-	-	-
Direct Borrowings and Direct Placements:						
Certificates of Participation (COP)						
2007 US D A R D Wellness Center COP	\$ 1,984,821	\$ -	\$ -	\$ (47,034)	\$ 1,937,787	\$ 49,033
Revenue Bonds						
1999 US D A R D Waste Water Expansion	4,866,483	-	-	(165,309)	4,701,174	170,682
2000 US D A R D Water Line Project	1,664,682	-	-	(54,719)	1,609,963	57,590
2004 US D A R D Waste Water Project	375,316	-	-	(9,203)	366,113	9,606
Total Direct Borrowings and Direct Placements:	8,891,302	-	-	(276,265)	8,615,037	286,911
Lindsay Olive Growers Pond Closure	2,570,981	-	-	-	2,570,981	-
Compensated Absences	47,905	55,896	-	(51,082)	52,719	17,573
Total Business-Type Activities	\$ 12,707,565	\$ 55,896	\$ (1,197,377)	\$ (327,347)	\$ 11,238,737	\$ 304,484

**A. Governmental Activities**

Revenue Bonds Payable

On November 1, 2012, the City entered into a refunding bond with US Bank National Association for refunding of the City's \$1,500,000 Mid Valley Services, Inc., promissory note dated November 19, 2009. The annual principal payments are due annually beginning on January 1, 2014. Interest ranging from 4.0% to 6.4% on the bonds is payable on January 1<sup>st</sup> and July 1<sup>st</sup> of each year, commencing on July 1, 2013. As of June 30, 2020, the balance due was \$1,095,000. These bonds were reclassified from business-type activities to governmental activities due to the transfer of assets and liabilities held in the McDermont Sports Complex Fund.

The annual service debt service requirements for the 2012 Taxable Lease Revenue Refunding Bonds are as follow:

Year Ended June 30	Principal	Interest	Total
2021	\$ 130,000	\$ 66,338	\$ 196,338
2022	140,000	58,863	198,863
2023	145,000	50,813	195,813
2024	155,000	42,113	197,113
2025	165,000	32,813	197,813
2026-2027	360,000	34,063	394,063
<b>Total</b>	<b>\$ 1,095,000</b>	<b>\$ 285,003</b>	<b>\$ 1,380,003</b>



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

Certificates of Participation (COP)

On October 1, 2008, the City entered into a COP with the United States Department of Agriculture Rural Development Agency (USDA RD) for Tulare Road in the amount of \$1,600,000. The COP has annual principal and interest approximately \$120,000 a year at 4.5% through 2029. As of June 30, 2020, the balance of the COP was \$885,454.

The annual debt service requirements for the 2008 USDA RD Roads COP are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 82,668	\$ 36,125	\$ 118,793
2022	86,182	32,247	118,429
2023	89,844	28,204	118,048
2024	93,663	23,989	117,652
2025	97,643	19,595	117,238
2026-2029	435,454	50,111	485,565
<b>Total</b>	<b>\$ 885,454</b>	<b>\$ 190,271</b>	<b>\$ 1,075,725</b>

On May 12, 2010, the City entered into a COP with the USDA RD for the construction of the Library Project in the amount of \$750,000. The COP has annual principal and interest payments of approximately \$37,000 a year at 4.125% through 2040. As of June 30, 2020, the balance of the COP was \$392,956.

The annual debt service requirements for the 2010 USDA RD Library COP are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 20,714	\$ 16,209	\$ 36,923
2022	21,543	15,355	36,898
2023	22,405	14,466	36,871
2024	23,301	13,542	36,843
2025	24,233	12,581	36,814
2026-2030	136,503	47,087	183,590
2031-2035	144,257	16,589	160,846
<b>Total</b>	<b>\$ 392,956</b>	<b>\$ 135,829</b>	<b>\$ 528,785</b>

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

Finance Purchase Agreement – Fire Truck

On January 25, 2018, the City entered into a master purchase agreement with PNC Equipment Finance for purchase of a fire truck. The total amount financed by the bank was approximately \$725,819 with interest rate of 4.37%. The payments will be made over a 10-year period. As of June 30, 2020, the balance of the lease was \$604,375.

The annual debt service requirements for the lease are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 64,732	\$ 29,121	\$ 93,853
2022	67,560	26,411	93,971
2023	70,513	23,582	94,095
2024	73,594	20,630	94,224
2025	76,810	17,549	94,359
2026-2029	251,166	36,597	287,763
<b>Total</b>	<b>\$ 604,375</b>	<b>\$ 153,890</b>	<b>\$ 758,265</b>

TCTA Settlement Liability

On April 24, 2012, the City reached a settlement with the Tulare County Transportation Authority (TCTA) in the total amount of \$1,048,443 for repayment of improperly accounted for Measure R funds. Pursuant to the settlement, the City agreed to a 21-year repayment plan. The agreement was later revised in 2019 to remove required interest payments, and require 80 installment payments of \$13,105 to be made on a quarterly basis. As of June 30, 2020, the balance of the TCTA settlement liability was \$681,488.

The annual payment requirements for the agreement are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 52,422	\$ -	\$ 52,422
2022	52,422	-	52,422
2023	52,422	-	52,422
2024	52,422	-	52,422
2025	52,422	-	52,422
2026-2030	262,110	-	262,110
2031-2033	157,268	-	157,268
<b>Total</b>	<b>\$ 681,488</b>	<b>\$ -</b>	<b>\$ 681,488</b>

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

Caltrans Settlement Liability

Caltrans provides state funding for construction projects. The City did multiple projects in the 2000's. Caltrans alleged the City did not properly account for Downtown project and the Safe Routes to School project, and it demanded repayment of approximately \$1,000,000. On October 7, 2019, the City reached a settlement with the California Department of Transportation (Caltrans) in the total amount of \$349,032 for repayment of improperly accounted for funds. Pursuant to the settlement, the City agreed to a 7-year repayment plan based on the apportionment of fuel tax revenues from the State to the City, with annual payments calculated to approximately 10 percent of those fuel tax apportionments. As of June 30, 2020, the balance of the Caltrans settlement liability was \$299,171.

The annual payment requirements for the agreement are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 49,861	\$ 616	\$ 50,477
2022	49,861	616	50,477
2023	49,861	616	50,477
2024	49,861	616	50,477
2025	49,861	616	50,477
2026	49,866	618	50,484
<b>Total</b>	<b>\$ 299,171</b>	<b>\$ 3,698</b>	<b>\$ 302,869</b>

HCD Settlement Liability

The City provides home and business loans using grant funds from the Housing and Urban Development (HUD) department, specifically Community Development Block Grants (CDBG) and HOME Program grant funds through the California Housing and Community Development Department, a sub-division of HUD. Based on monitoring visits conducted and previous audits, the City had three distinct issues related to grant funds from HUD via HCD. These matters are discussed further in Note 14.

On September 8, 2020, the City reached a settlement with the California Housing and Community Development Department (HCD) in the total amount of \$3,790,786 for repayment of improperly accounted for funds.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

HCD Settlement Liability, Continued

Significant terms and conditions of the agreement are as follows:

- The City is required to make an initial payment of \$10,000 on the date of the agreement, and will make annual payments of \$89,360 until the balance outstanding on the agreement equals \$1,100,000.
- Interest on the outstanding balance will accrue at an annual rate of 9%.
- If all payments are made timely, the outstanding balance of \$1,100,000 and any accrued interest will be forgiven by HCD.
- In breach of contract (either due to failure to make payments or other), the City and HCD will meet and confer to resolve the breach, otherwise HCD will seek judicial enforcement of the agreement.
- All unspent program funds held as cash as of the date of the agreement will be remitted to HCD.
- Any program income received subsequent to the date of the agreement will be remitted to HCD.
- Any equipment acquired with program funds will be returned to HCD.
- Loans receivable related to the programs will be assigned to HCD.
- The City is temporarily barred from participating in any HCD programs for a period of five years.

As of June 30, 2020, the balance of the HCD settlement liability was \$3,790,786.

The annual payment requirements for the agreement are as follows:

Year Ended				
June 30	Principal	Interest	Total	
2021	\$ 10,000	\$ -	\$ 10,000	
2022	89,360	-	89,360	
2023	89,360	-	89,360	
2024	89,360	-	89,360	
2025	89,360	-	89,360	
2026-2030	446,800	-	446,800	
2031-2035	446,800	-	446,800	
2036-2040	446,800	-	446,800	
2041-2045	446,800	-	446,800	
2046-2050	446,800	-	446,800	
2051	89,346	-	89,346	
Subtotal	2,690,786	\$ -	\$ 2,690,786	
Forgivable amount*	1,100,000			
	<u>\$ 3,790,786</u>			

\*Forgivable amount is contingent on timely payments. Interest accrued on outstanding principal is forgivable.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

**A. Governmental Activities, Continued**

Remediation Liability

The City's Sewer Fund is responsible for the contamination of two water basins at the City's sewer plant. The preliminary cost of the clean-up referred to as the Lindsay Olive Growers (LOG) Pond Closure liability is estimated at \$2,570,981. This amount has been accrued as of June 30, 2020. However, additional amounts might be needed in the future in order to clean up the site, and the issue will be reviewed in fiscal year 2020-21 to ascertain if any additional amounts should be accrued.

**B. Business-Type Activities**

Certification of Participation (COP)

On June 20, 2007, the City entered into a COP with USDA RD for the Wellness Center in the amount of \$1,130,689. The total amount of the COP will be \$3,000,000 if totally drawn. The Wellness Center Fund has annual principal and interest payments of approximately \$129,000 a year at 4.25% through 2048. As of June 30, 2020, the balance of the COP was \$1,937,787.

The annual debt service requirements for the 2007 USDA RD Wellness Center COP are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 49,033	\$ 80,272	\$ 129,305
2022	51,117	78,100	129,217
2023	53,289	75,835	129,124
2024	55,554	73,474	129,028
2025	57,915	71,012	128,927
2026-2030	328,656	314,320	642,976
2031-2035	404,690	235,055	639,745
2036-2040	498,314	137,452	635,766
2041-2044	439,219	17,270	456,489
<b>Total</b>	<b>\$ 1,937,787</b>	<b>\$ 1,082,790</b>	<b>\$ 3,020,577</b>

Revenue Bonds Payable

On June 1, 1993, the City refinanced with the California Statewide Communities Development Authority (CSCDA) an existing loan that assisted in financing construction of a project, which enables the City to meet safe drinking water standards. The bond amount of \$197,054 at 7.125% has semi-annual principal and interest payments of \$8,377 through June 1, 2019. The bond is secured by a first pledge of a lien on all of the pledged water revenues. As of June 30, 2020, the revenue bond was fully repaid.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

***B. Business-Type Activities, Continued***

On November 5, 1999, the City entered into a revenue bond with the USDA RD for the Waste Water Treatment Plant Project for \$7,000,000. The annual principal and interest payments of \$323,470 at 3.25% are through November 27, 2039. As of June 30, 2020, the balance due was \$4,701,174.

The annual debt service requirements for 1999 USDA RD Waste Water expansion bond are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 170,682	\$ 152,788	\$ 323,470
2022	176,229	147,241	323,470
2023	181,956	141,514	323,470
2024	187,870	135,600	323,470
2025	193,976	129,494	323,470
2026-2030	1,068,641	548,709	1,617,350
2031-2035	1,253,956	363,394	1,617,350
2036-2040	1,467,864	145,943	1,613,807
<b>Total</b>	<b>\$ 4,701,174</b>	<b>\$ 1,764,683</b>	<b>\$ 6,465,857</b>

On December 11, 2000, the City entered into a revenue bond with the USDA RD for the Water Line Project for \$2,440,000. The annual principal and interest payments of \$109,874 at 3.25% are through December 11, 2040. As of June 30, 2020, the balance due was \$1,609,963.

The annual debt service requirements for 2000 USDA RD Water Line Project bond are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 57,590	\$ 52,284	\$ 109,874
2022	59,462	50,412	109,874
2023	61,394	48,480	109,874
2024	63,389	46,485	109,874
2025	65,449	44,425	109,874
2026-2030	360,571	188,799	549,370
2031-2035	423,098	126,272	549,370
2036-2040	519,010	48,772	567,782
<b>Total</b>	<b>\$ 1,609,963</b>	<b>\$ 605,929</b>	<b>\$ 2,215,892</b>

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**6. LONG-TERM DEBT, Continued**

***B. Business-Type Activities, Continued***

Revenue Bonds Payable, Continued

On June 22, 2004, the City entered into a revenue bond with the USDA RD for the Waste Water Project for \$480,000. The annual principal and interest payments of \$25,623 at 4.375% are through June 28, 2044. As of June 30, 2020, the balance due was \$366,113.

The annual debt service requirements for 2004 USDA RD Waste Water Project are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 9,606	\$ 16,017	\$ 25,623
2022	10,026	15,597	25,623
2023	10,464	15,159	25,623
2024	10,922	14,701	25,623
2025	11,400	14,223	25,623
2026-2030	64,933	63,182	128,115
2031-2035	80,435	47,680	128,115
2036-2040	99,639	28,476	128,115
2041-2044	68,688	6,004	74,692
<b>Total</b>	<b>\$ 366,113</b>	<b>\$ 221,039</b>	<b>\$ 587,152</b>

***C. Compensated Leaves Payable***

Employees accrue vacation, annual leave, earned time off, and holiday leave up to certain maximums, based on the employee's bargaining unit.

The City accrues the liability for compensated leave as it is earned by employees. The amount of compensated leaves payable outstanding was \$268,772 as of June 30, 2020.

The amount due within one year of \$72,018 for Governmental Activities and \$17,573 for Business-Type Activities represents the estimated amount for anticipated retirees. The City typically uses the General Fund to liquidate the liability for compensated absences for governmental funds.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**7. CITY EMPLOYEES' RETIREMENT PLAN**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors four rate plans (two miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefit Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employee's Retirement Law.

The rate plan provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Miscellaneous	Miscellaneous PEPR
Hire date	1/1/1960	1/1/2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	55 w/5 year service credit	62 w/5 year service credit
Benefit payment	2.7% Avg. highest 12 months	2.0% Avg. highest 12 months
Retirement age	55	62
Monthly benefits as a % of annual salary	2.7%	2.0%
Required employee contribution rates	8.00%	6.250%
Required employer contribution rates	13.182%	6.985%
Required unfunded liability payment	\$310,879	\$4,144



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**7. CITY EMPLOYEES' RETIREMENT PLAN, Continued**

Benefit Provided, Continued

	Safety	Safety PEPRA
Hire date	1/1/1960	1/1/2013
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	55 w/5 year service credit	57 w/5 year service credit
Benefit payment	3.0% Avg. highest 12 months	2.7% Avg. highest 12 months
Retirement age	55	57
Monthly benefits as a % of annual salary	3.0%	2.7%
Required employee contribution rates	9.00%	11.500%
Required employer contribution rates	20.073%	13.034%
Required unfunded liability payment	\$235,226	\$1,706

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are to be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Miscellaneous and safety Plan employees agreed to pay an additional three and five percentage points, respectively, towards the City's contributions to the Plan. The City has not updated its contract with CalPERS to reflect these changes, hence these payments are considered to be employer contributions.

The City's contributions to the Plan for the measurement period ended June 30, 2019 were \$1,128,405. Contributions to the Plan for the current fiscal year ended June 30, 2020 were \$922,615, and are reflected as a deferred outflow of resources in the basic financial statements.

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$9,262,536.

The City's net pension liability for the Plan is measured as the proportionate share of the total net pension liability of the Plan. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportionate of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**7. CITY EMPLOYEES' RETIREMENT PLAN, Continued**

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The City's proportionate share of the net pension liability for each Plan as of June 30, 2018 and 2019 were as follows:

Proportion - June 30, 2018	0.09174%
Proportion - June 30, 2019	0.90390%
Change - Increase (decrease)	0.81216%

For the year ended June 30, 2020, the City recognized pension expense of \$1,889,942. At June 30, 2020, the City reported deferred outflow of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 922,615	\$ -
Changes in assumptions	414,341	120,215
Differences between expected and actual experience	614,786	16,335
Changes in employer's proportion	13,748	212,820
Differences between the employer's contributions and the employer's proportionate share of contributions	91,096	-
Net differences between projected and actual earnings on plan investments	-	146,724
<b>Total</b>	<b>\$ 2,056,586</b>	<b>\$ 496,094</b>

\$922,615 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**7. CITY EMPLOYEES' RETIREMENT PLAN, Continued**

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	
2021	\$ 657,674
2022	(122,509)
2023	73,484
2024	29,228

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Investment Rate of Return	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality (1)	Derived using CalPERS Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**7. CITY EMPLOYEES' RETIREMENT PLAN, Continued**

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10(b)	Real Return Years 11+(c)
Global equity	50.00 %	4.80 %	5.98
Fixed income	28.00	1.00	2.62
Inflation assets	0.00	0.77	1.81
Private equity	8.00	6.30	7.23
Real assets	13.00	3.75	4.93
Liquidity	1.00	0.00	-0.92
Total	100.00 %		

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period.

(c) An expected inflation of 2.92% used for this period.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**7. CITY EMPLOYEES' RETIREMENT PLAN, Continued**

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	6.15%
Net Pension Liability	\$ 13,987,621
Current Discount Rate	7.15%
Net Pension Liability	\$ 9,262,536
1% Increase	8.15%
Net Pension Liability	\$ 5,374,983

*Pension Plan Fiduciary Net Position* – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2020 the City reported no amount payable for outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

**8. HOUSING AND COMMUNITY DEVELOPMENT LOAN PROGRAM**

The City uses Housing and Community Development Block Grant funds to provide housing rehabilitation loans and HOME Investment Partnerships Program (HOME) grant funds to provide first-time homebuyer assistance loans and housing rehabilitation loans to eligible applicants. Rehabilitation loans are used to improve, rehabilitate, or replace residences. All loans are made to low and moderate income persons or landlords benefiting these same persons. The City accounts for this program in the Community Development Fund. This fund's primary assets consist of notes receivable from participants, which originated from U.S. Department of Housing and Urban Development (HUD) funds.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**9. JOINT VENTURE – SELF-INSURANCE PROGRAM**

The City is a member of the Central San Joaquin Valley Risk Management Authority (CSJVRMA). CSJVRMA is a consortium of fifty-four (54) cities in the San Joaquin Valley, California, established under the provisions of California Government Code Section 6500, et seq. CSJVRMA provides risk coverage for its members through the pooling of risks and purchased insurance. This coverage extends to workers' compensation and general liability. CSJVRMA is governed by a board consisting of one board member appointed by each member agency and meets three to four times a year. The board has contracted with a management group to supervise and conduct CSJVRMA affairs.

The relationship between the City and CSJVRMA is such that CSJVRMA is not a component unit of the City for financial reporting purposes.

In the event of termination and after all claims have been settled, any excess or deficit will be divided among the agencies in accordance with an approved formula.

**General Liability Insurance:** Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. The City is covered for the first \$1,000,000 of each general liability claim. The City has the right to receive dividends or the obligation to pay assessments based on a formula, which among other expenses, charges the City's account for liability under \$25,000. CSJVRMA participates in an excess pool that provides general liability coverage from \$1,000,000 to \$10,000,000.

**Workers' Compensation:** The workers' compensation program includes pooling of retained losses plus excess insurance. Annual deposits are paid by member cities and are adjusted retrospectively on an annual basis to cover costs and reflect claims experience of both the individual member and the pool. The City is covered for the first \$250,000 of each workers' compensation claim through CSJVRMA. The City has the right to receive dividends or the obligation to pay assessments based on a formula, which among other expenses, charges the City's account for workers' compensation losses under \$250,000. CSJVRMA participates in an excess pool that provides workers' compensation coverage from \$250,000 to \$500,000 and purchases excess insurance above the statutory limit.

There have been no significant changes in insurance coverage as compared to last year, and settlements have not exceeded coverage in each of the past three fiscal years.

**10. POST-RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN**

**A. Plan Description**

The City administers the City's retired employees' healthcare plan, a single employer defined benefit health care plan. The plan provides continuation of medical, dental, and vision coverage to qualifying retiring employees. City resolutions and agreements assign the authority to establish and amend benefit provisions to the City. A separate OPEB trust account has not been established by the City for the plan.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**10. POST-RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN, Continued**

**B. Employees Covered**

As of the July 1, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Retiree Health Plan:

Active employees	33
Inactive employees or beneficiaries currently receiving benefits	5
Total	<u>38</u>

**C. Contribution**

The contribution requirements of plan members and the City are established and may be amended by the City. The required contribution is based on a projected pay-as-you-go financing requirements, with additional amounts to prefund benefits determined annually by the City Council. For the fiscal year ended June 30, 2020, the City contributed \$40,536 (including implicit subsidy) and zero to prefund benefits. Plan members receiving benefits contributed no amounts to the total premiums. The General Fund has typically been used to liquidate OPEB liabilities for governmental funds.

**D. Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation dated July 1, 2019 using the following actuarial methods and assumptions:

Actuarial Assumptions:	
Discount Rate	2.20%, net of investment expense, including inflation
Inflation	2.25%
Salaries Increases	3.00%, average, including inflation
Mortality <sup>(1)</sup>	Based on RP-2014 Employee and Healthy Annuitant Mortality Tables
Healthcare Cost Trend Rates	6.00% for 2019-20, decreasing to 4.50% for 2022-23 and after

<sup>(1)</sup> Mortality rates were based on the RP-2014 Employee and Healthy Annuitant Mortality Tables for males or females, as appropriate, projected using a generational projection based on 100% of scale MP-2016 for years 2014-2029, 50% of MP-2016 for years 2030-2049, and 20% of MP-2016 for 2050 and thereafter.



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**10. POST-RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN, Continued**

**E. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.20%. The City's OPEB plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

**F. Changes in the Total OPEB Liability**

The changes in the total OPEB liability for the OPEB plan are as follows:

	Total OPEB Liability
<b>Balance at June 30, 2019</b>	<b>\$ 1,607,791</b>
Service cost	99,506
Interest on the total OPEB liability	42,590
Differences between actual and expected experience	73,023
Changes in assumptions	175,866
Benefits paid to retirees	(40,536)
Net changes	350,449
<b>Balance at June 30, 2020</b>	<b>\$ 1,958,240</b>

**G. Sensitivity of the OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2020:

1% Decrease	1.20%
Total OPEB Liability	\$ 2,205,791
Current Discount Rate	2.20%
Total OPEB Liability	\$ 1,958,240
1% Increase	3.20%
Total OPEB Liability	\$ 1,737,271



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**10. POST-RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN, Continued**

***H. Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates***

The following presents the total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate for the measurement period ended June 30, 2020:

1% Decrease	3.50% to 5.00%
Total OPEB Liability	\$ 1,656,979
Current Discount Rate	4.50% to 6.00%
Total OPEB Liability	\$ 1,958,240
1% Increase	5.50% to 7.00%
Total OPEB Liability	\$ 2,324,465

***I. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB***

For the year ended June 30, 2020, the City recognized OPEB expense of \$171,637. At June 30, 2020, the City reported deferred outflow of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 65,694	\$ 2,299
Changes in assumptions	214,532	36,603
<b>Total</b>	<b>\$ 280,226</b>	<b>\$ 38,902</b>

There were no amounts reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

Year Ending June 30,	
2021	\$ 29,541
2022	29,541
2023	29,541
2024	29,541
2025	29,541
Thereafter	93,619

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**11. COMMITMENTS AND CONTINGENCIES**

Contingencies relating to Proposition 218 Noncompliance

Prior to July 1, 2017, the City's General Fund had borrowed against utility funds that are restricted by Proposition 218 to be used for the purpose of providing such utility services. The City subsequently formalized such borrowing by approving interfund loan agreements that specified repayment terms for these borrowings. The City has now subsequently passed a resolution forgiving these loans, and is now noncompliant with Proposition 218. As a result of the noncompliance, there are contingencies relating to potential future lawsuits by rate payers or rate payer advocates.

**12. FUND BALANCE**

Detailed classifications of the City's fund balances as of June 30, 2020 are stated below.

	General Fund	Community Development Fund	Local Transportation Fund	Nonmajor Governmental Funds	Total
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Road construction and maintenance	\$ -	\$ -	\$ 2,234,120	\$ -	\$ 2,234,120
Community development	-	12,986,538	-	-	12,986,538
Curb and gutter	-	-	-	15,370	15,370
Transit	-	-	-	7,225	7,225
Special assessments	-	-	-	73,857	73,857
Gas tax	-	-	-	915,895	915,895
<b>Assigned for:</b>					
Public safety	30,325	-	-	-	30,325
Street improvement	722,285	-	-	-	722,285
Park improvement	11,739	-	-	-	11,739
<b>Unassigned</b>	2,404,057	-	-	-	2,404,057
<b>Total</b>	<b>\$ 3,168,406</b>	<b>\$ 12,986,538</b>	<b>\$ 2,234,120</b>	<b>\$ 1,012,347</b>	<b>\$ 19,401,411</b>

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the City that previously had reported a redevelopment agency blended component unit.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY,**  
**Continued**

The Bill provides that upon dissolution of a redevelopment agency, either the county or another unit of local government will agree to serve as the “successor agency” to hold the assets until they are distributed to other units of state and local government. On January 10, 2012, the Lindsay City Council adopted a resolution affirming that the City would serve as the successor agency to the former Lindsay Redevelopment Agency (the Agency).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies are only to be allocated tax increment revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City’s position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012.

After the date of dissolution, as allowed under Section 341716(a) of the Bill, the City elected to transfer the housing assets and functions previously performed by the Agency. The remaining assets, liabilities, and activities of the dissolved Agency are reported in the Successor Agency fiduciary fund (private- purpose trust fund) in the financial statements of the City.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY,**  
**Continued**

Successor Agency Long-Term Debt

In accordance with the provisions of the Bill and the court case, the obligations of the former redevelopment agency became vested with the funds established for the successor agency upon the date of dissolution, February 1, 2012. Tax increment revenue is pledged to fund the debts of the Successor Agency Trust subject to the reapportionment of such revenues as provided by the Bill.

Successor Agency long-term debt activity for the year ended June 30, 2020 was as follows:

Successor Agency Trust Activities	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020	Due Within One Year	Due More than One Year
Bonds payable						
2015 Tax Allocation Refunding Bond	\$ 11,875,000	\$ -	\$ (430,000)	\$ 11,445,000	\$ 435,000	\$ 11,010,000
Total bonds payable	11,875,000	-	(430,000)	11,445,000	435,000	11,010,000
Notes payable						
CalHFA - RDLP Loan	2,014,502	-	(1,431,804)	582,698	582,698	-
Total notes payable	2,014,502	-	(1,431,804)	582,698	582,698	-
Total Successor Agency Trust Activities	\$ 13,889,502	\$ -	\$ (1,861,804)	\$ 12,027,698	\$ 1,017,698	\$ 11,010,000

**A. Tax Allocation Bonds Payable**

On June 1, 2015, the Successor Agency refunded the 2005, 2007, and 2008 tax allocation bonds in the amounts of \$3,925,000, \$6,895,000, and \$3,270,000, respectively, with the refunding issue of 2015 in the amount of \$13,000,000. The bonds have principal payments each August 1 through 2037 and accrue interest at 3.0% – 5.0%, which is payable semiannually. The bonds are payable solely from pledged tax revenues allocated and paid to the Successor Agency from properties in the project area. As of June 30, 2020, the balance on the bonds was \$11,445,000.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**13. SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY,  
Continued**

**A. Tax Allocation Bonds Payable, Continued**

The annual debt service requirements for 2015 Tax Allocation Refunding Bond are as follows:

Year Ended June 30	Principal	Interest	Total
2021	\$ 435,000	\$ 438,731	\$ 873,731
2022	465,000	416,231	881,231
2023	485,000	392,481	877,481
2024	510,000	367,606	877,606
2025	535,000	341,481	876,481
2026-2030	3,000,000	1,410,748	4,410,748
2031-2035	3,540,000	842,701	4,382,701
2036-2038	2,475,000	151,300	2,626,300
<b>Total</b>	<b>\$ 11,445,000</b>	<b>\$ 4,361,279</b>	<b>\$ 15,806,279</b>

**B. Notes Payable**

On August 7, 2007, the Agency entered into a loan agreement with CalHFA for the purpose of assisting the Agency in operating a local housing program through the CalHFA Residential Development Loan Program (RDLP). The loan is in the amount of \$3,690,000, bears a simple annual interest rate of 3.0%, and repayment of principal and interest is deferred for a term of 5 years from date of the note. On August 21, 2015, the Successor Agency obtained a third amendment to the original loan extending the unpaid balance due date to May 7, 2021 with 0% interest; no future interest accrual. As of June 30, 2020, there remained an unpaid balance due on the CalHFA - RDLP loan of \$582,698.

The annual debt service requirements for CalHFA – RDLP loan are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 582,698	\$ -	\$ 582,698
<b>Total</b>	<b>\$ 582,698</b>	<b>\$ -</b>	<b>\$ 582,698</b>

#### 14. NON-COMPLIANCE WITH GRANTS RULES AND REGULATIONS

##### A. HUD

The City provides home and business loans using grant funds from the Housing and Urban Development (HUD) department, specifically Community Development Block Grants (CDBG) and HOME Program grant funds through the California Housing and Community Development Department, a sub-division of HUD. The City addressed three distinct issues related to grant funds from HUD via HCD. The following notes, for ease in reading, classify all home and business loan funds originating with HUD as HCD program funds because the City's direct contact and source for these funds is HCD.

**Issue #1 (Corrected):** Borrowing of grant funds for the City's general operations. Between 2008 and 2018, the City experienced annual deficits in its General Fund, McDermont Sports Complex Fund and the Wellness Center Fund. In order to fund the overspending, the City borrowed grant funds from HCD programs through due to/from transactions at the end of each year. This was common practice between fiscal year 2003 and fiscal year 2009, but the transactions were not reversed, compounding and confusing the actual balances. In fiscal year 2015, the City reversed the transactions and established temporary transactions. These transactions were reversed each year, but the funds were not repaid. As a result, the cash balances in the General Fund, McDermont Sports Complex Fund and the Wellness Center Fund continued to increase in the negative direction. In 2017, the City formally recognized the borrowing by establishing advances to/from to account for the funds due to HCD programs. City Council approved the creation of the advances with a repayment schedule via Resolution 17-44 in 2017.

In 2018, the City Council amended the repayment schedule via Resolution 18-23. The City will repay \$2,060,000 (the entire amount borrowed from HCD programs) to HCD funds from the General Fund over a 10-year period beginning December 30, 2023. The City will pay an interest rate of 0.754%, which corresponds to the rate the City received from LAIF in 2017. The City did not have permission from HCD to borrow the funds for general purposes. Current administration, once it discovered the extent of the borrowing, shared the information with HCD. As discussed on pages 64 to 65, the City reached a settlement agreement with HCD addressing this issue.

**Issue #2 (Corrected):** Home Loans to City employees and relatives of employees. Prior to May 2011, the City did not have a formal loan committee to review home and business loans thru the HCD program funding. During the administration that ended November 9, 2010, the City authorized home loans to some City employees and relatives of employees who did not qualify for the program. The following administration requested the District Attorney investigate to determine if there was criminal wrongdoing. The District Attorney found no criminal wrongdoing. The City then (1) created a loan committee to review each loan prior to funding and (2) contracted with Self Help Enterprises to manage the loan application process to ensure full transparency and program compliance. As a result, there have been no new issues. The City complies with all new related-party transactions. The City considers this matter to no longer be an issue. The reference to this past issue is contained in this disclosure note to give context to the reader. As discussed on pages 64 to 65, the City reached a settlement agreement with HCD addressing this issue.

**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

---

**14. NON-COMPLIANCE WITH GRANTS RULES AND REGULATIONS Continued**

**A. HUD, Continued**

**Issue #3 (Corrected):** In 2005, the City experienced a devastating freeze, which damaged the orange crops that are vital to the economy. HCD sent the City freeze relief funds, which the City used to put people to work with permission from HCD. After the City spent the money as approved by HCD, HCD reversed its permission and demanded the City repay \$900,000 in the freeze relief funds. Due to a fire that destroyed important records associated with the use of the freeze relief funds and turnover at HCD, the City does not have a complete record to demonstrate its compliance with HCD authorized uses. As discussed on pages 64 to 65, the City reached a settlement agreement with HCD addressing this issue.

**15. SUBSEQUENT EVENTS**

On September 8, 2020, the City reached a settlement with the California Housing and Community Development Department (HCD) in the total amount of \$3,790,786 for repayment of improperly accounted for funds. This amount is reflected as a long term debt of the City as liabilities related to the agreement had existed and been incurred prior to the end of the fiscal year end. The agreement is discussed on pages 64 to 65.

**16. SPECIAL ITEM**

As noted above in Note 16, the City recorded a liability related to the settlement agreement in the amount of \$3,790,786. In addition, a liability of \$760,338 was reported in the Community Development Special Revenue Fund to reflect that the cash held on hand was to be returned to the California Housing and Community Development Department (HCD). Lastly interfund advances previously recorded to reflect amounts owed between the General Fund and the Community Development Special Revenue Fund in the amount of \$2,564,731 were written-off.

**17. COVID-19 PANDEMIC**

During December 2019, the Novel Corona Virus Disease (COVID-19) was discovered. The COVID-19 was subsequently declared a world-wide pandemic by the World Health Organization on March 11, 2020. On March 4, 2020, California State Governor Gavin Newsom proclaimed a State of Emergency as a result of the threat of the COVID-19 in the State of California, leading to Tulare County Health Department issuing a stay-at-home directive. This halted all business within the County outside of essential activities.

For the fiscal year ended June 30, 2020, the overall economic impact of the Covid pandemic has been mild for the City of Lindsay. General fund sales tax revenue is relatively stable as is property taxes revenue. Utility revenues especially water user fee payments were mildly impacted. The city received some Covid related grants that have helped to offset expenditures necessary to operate safely and stem the spread of the virus. However, the city will continue to closely monitor the city's financial situation and proactively deal with issues as they arise.



**City of Lindsay**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2020**

**18. PRIOR PERIOD ADJUSTMENTS**

The City recorded the following prior period adjustments during the year.

Government-Wide Financial Statements

Governmental Activities – The restatements recorded included the following:

- Correct land held previously reported in the Private-Purpose Trust Fund that had been transferred to the City.
- Removal of the interfund payable due to the Successor Agency (Private-Purpose Trust Fund) related to unknown status of property acquired with redevelopment agency funds. After further research, it was noted that the properties had been transferred to the City prior to the dissolution of the redevelopment agency, and the properties acquired are being held for City use.

	Net Position, as Previously Reported at June 30, 2019	Prior Period Adjustments		Net Position, as Restated at June 30, 2019
		Capital Assets	Due to Successor Agency	
Governmental Activities	\$ 30,984,598	\$ 1,695,000	\$ 2,815,536	\$ 35,495,134

Fund Financial Statements

The restatements recorded in the General Fund were to reclassify amounts due to the Tulare County Transportation Authority from a short-term payable to a long-term debt of the City, and to remove the interfund payable due to the Successor Agency mentioned above.

	Fund Balance Previously Reported at June 30, 2019	Prior Period Adjustments		Fund Balance Restated at June 30, 2019
		Due to Other Government	Due to Successor Agency	
<u>Governmental Funds</u>				
General Fund	\$ (4,171,326)	\$ 733,910	\$ 2,815,536	\$ (621,880)

The City recorded prior period adjustments to Fiduciary Funds to remove prepaid items that were not reversed in previous years, remove receivable from the City of Lindsay General Fund discussed on the previous page, and to correct land reported in the private-purpose trust fund that had been transferred to the City.

	Net Position, as Previously Reported at June 30, 2019	Prior Period Adjustments			Net Position, as Restated at June 30, 2019
		Prepaid Items	Due from City of Lindsay	Capital Assets	
<u>Fiduciary Funds</u>					
Private-Purpose Trust Fund	\$ (7,732,961)	\$ (201,226)	\$ (2,815,536)	\$ (1,695,000)	\$ (12,444,723)



**19. DEFICIT FUND BALANCE**

The Refuse Enterprise Fund reported a deficit fund balance of \$5,098. The City expects the deficit to be resolved by future increases in rates charged to customers.

**20. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The Local Transportation Special Revenue Fund reported an excess of expenditures over appropriations of \$12,082 that were covered by fund balance.

---

# REQUIRED SUPPLEMENTARY INFORMATION

---

Final Draft  
2-18-21

**1. BUDGETS AND BUDGETARY ACCOUNTING**

***A. Budgetary Control and Budgetary Accounting***

The City Council is required to adopt an annual budget resolution by July 1<sup>st</sup> of each fiscal year for the General Fund, special revenue, capital projects, debt service, and enterprise funds. These budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles. The City did not adopt a budget for the Community Development Fund.

The appropriated budget is prepared by fund, function, and department. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the department level. The City Council made several supplemental budgetary appropriations throughout the fiscal year.

Budgeted appropriations for various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended or encumbered.

**City of Lindsay**  
**Required Supplementary Information**  
**For the year ended June 30, 2020**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

***B. Budgetary Comparison Schedule - General Fund***

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES:</b>				
Property taxes	\$ 379,460	\$ 379,460	\$ 363,302	\$ (16,158)
Sales taxes	1,028,160	1,028,160	1,061,649	33,489
Measure O taxes	1,103,610	1,103,610	1,148,106	44,496
Utilities users' taxes	875,290	875,290	996,886	121,596
Other taxes	1,398,290	1,398,290	1,477,246	78,956
Licenses and permits	213,820	213,820	249,691	35,871
Intergovernmental	167,770	167,770	166,142	(1,628)
Charges for services	18,930	18,930	8,850	(10,080)
Fees and fines	157,500	157,500	190,315	32,815
Interest revenue	-	-	15,834	15,834
Other revenues	341,220	341,220	393,594	52,374
<b>Total revenues</b>	<b>5,684,050</b>	<b>5,684,050</b>	<b>6,071,615</b>	<b>387,565</b>
<b>EXPENDITURES:</b>				
Current:				
General government	927,668	927,668	772,906	154,762
Public safety	2,849,053	2,849,053	2,765,687	83,366
Parks and recreation	211,434	211,434	166,701	44,733
Public works	457,750	457,750	507,754	(50,004)
Streets and transportation	292,600	292,600	189,767	102,833
Community development	131,309	131,309	108,002	23,307
Debt service:				
Principal	236,050	236,050	259,361	(23,311)
Interest and administrative charges	79,600	79,600	115,928	(36,328)
Capital outlay	92,150	92,150	51,704	40,446
<b>Total expenditures</b>	<b>5,277,614</b>	<b>5,277,614</b>	<b>4,937,810</b>	<b>339,804</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>406,436</b>	<b>406,436</b>	<b>1,133,805</b>	<b>727,369</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	292,600	292,600	311,229	18,629
Transfers out	(390,000)	(390,000)	(268,176)	121,824
<b>Total other financing sources (uses)</b>	<b>(97,400)</b>	<b>(97,400)</b>	<b>43,053</b>	<b>140,453</b>
<b>SPECIAL ITEM:</b>				
Settlement of housing programs	-	-	2,564,731	2,564,731
<b>Net change in fund balances</b>	<b>\$ 309,036</b>	<b>\$ 309,036</b>	<b>\$ 3,741,589</b>	<b>\$ 3,432,553</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year, as restated			(1,261,698)	
End of year			<u>\$ 2,479,891</u>	

**City of Lindsay**  
**Required Supplementary Information**  
**For the year ended June 30, 2020**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

***B. Budgetary Comparison Schedule - General Fund, Continued***

Reconciliation of General Fund Budgetary Schedule to generally accepted accounting principles information presented in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund.

	General Fund	Public Safety Asset Forfeiture	Street Improvement	COVID-19	Park Improvement	Capital Projects	Total General Fund
Total revenues	\$ 6,071,615	\$ 272	\$ 905,905	\$ -	\$ 4,606	\$ 47,045	\$ 7,029,443
Total expenditures	4,937,810	-	49,861	75,834	-	2,009,191	7,072,696
Excess (deficiency) of revenues over (under) expenditures	1,133,805	272	856,044	(75,834)	4,606	(1,962,146)	(43,253)
Total other financing sources (uses)	43,053	-	(790,518)	-	-	2,016,273	1,268,808
Special items	2,564,731	-	-	-	-	-	2,564,731
Net change in fund balance	3,741,589	272	65,526	(75,834)	4,606	54,127	3,790,286
Beginning of year, restated	(1,261,698)	30,053	656,759	-	7,133	(54,127)	(621,880)
End of year	<u>\$ 2,479,891</u>	<u>\$ 30,325</u>	<u>\$ 722,285</u>	<u>\$ (75,834)</u>	<u>\$ 11,739</u>	<u>\$ -</u>	<u>\$ 3,168,406</u>

**City of Lindsay**  
**Required Supplementary Information**  
**For the year ended June 30, 2020**

**1. BUDGETS AND BUDGETARY ACCOUNTING, Continued**

***C. Budgetary Comparison Schedule - Local Transportation Fund***

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 784,930	\$ 784,930	1,325,986	\$ 541,056
Interest revenue	210	210	20,915	20,705
<b>Total revenues</b>	<b>785,140</b>	<b>785,140</b>	<b>1,346,901</b>	<b>561,761</b>
<b>EXPENDITURES:</b>				
Current:				
Streets and transportation	128,400	128,400	9,192	119,208
Debt service:				
Principal	-	-	79,298	(79,298)
Interest and administrative charges	-	-	41,630	(41,630)
Capital outlay	-	-	10,362	(10,362)
<b>Total expenditures</b>	<b>128,400</b>	<b>128,400</b>	<b>140,482</b>	<b>(12,082)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>656,740</b>	<b>656,740</b>	<b>1,206,419</b>	<b>549,679</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(555,000)	(555,000)	(695,208)	(140,208)
<b>Total other financing sources (uses)</b>	<b>(555,000)</b>	<b>(555,000)</b>	<b>(695,208)</b>	<b>(140,208)</b>
<b>Net change in fund balances</b>	<b>\$ 101,740</b>	<b>\$ 101,740</b>	<b>511,211</b>	<b>\$ 409,471</b>
<b>FUND BALANCES (DEFICITS):</b>				
Beginning of year			1,722,909	
End of year			<u>\$ 2,234,120</u>	

**City of Lindsay**  
**Required Supplementary Information**  
**For the year ended June 30, 2020**

**2. DEFINED BENEFIT PENSION PLANS**

**A. Schedule of the City's Proportionate Share of the Net Pension Liability – Last 10 Years**

Fiscal year:	2020	2019	2018	2017	2016	2015
Measurement date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.09039%	0.09174%	0.09245%	0.09544%	0.09929%	0.09999%
Proportionate share of the net pension liability	\$ 9,262,536	\$ 8,840,661	\$ 9,168,480	\$ 8,258,639	\$ 6,695,057	\$ 6,216,207
Covered payroll	\$ 2,385,716	\$ 2,572,760	\$ 2,907,772	\$ 2,689,271	\$ 2,799,950	\$ 2,769,950
Proportionate share of the net pension liability as a percentage of covered payroll	388.25%	343.63%	315.31%	307.10%	239.11%	224.42%
Plan's share of fiduciary net position as a percentage of total net pension liability	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

**Note to Schedule**

\* Fiscal year 2015 was the 1st year of implementation, therefore there are fewer than 10 years shown.  
The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, and then decreased from 7.65% to 7.15% in fiscal year 2018.  
The CalPERS mortality assumptions were adjusted in fiscal year 2019.

**B. Schedule of Contributions - Last 10 Years**

Fiscal year:	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 922,615	\$ 1,128,405	\$ 1,021,760	\$ 1,207,603	\$ 726,038	\$ 700,907
Contractually in relation to the actuarially determined contributions	(922,615)	(1,128,405)	(1,021,760)	(1,207,603)	(726,038)	(700,907)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,489,675	\$ 2,385,716	2,572,760	2,907,772	2,689,271	2,799,950
Contributions as a percentage of covered payroll	37.06%	47.30%	39.71%	41.53%	27.00%	25.03%

**Note to Schedule**

\* Fiscal year 2015 was the 1st year of implementation, therefore there are fewer than 10 years shown.

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required contribution):	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Actuarial cost method:	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)	(1)	(1)	(1)
Assets valuation method:	Market Value	Market Value	Market Value	Market Value	Market Value	15 Year
Inflation:	2.63%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases:	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return:	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement age:	(3)	(3)	(3)	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)	(4)	(4)	(4)

<sup>(1)</sup> Level percentage of payroll, closed

<sup>(2)</sup> Depending on age, service, and type of employment

<sup>(3)</sup> 50 for all plans, with the exception of 52 for Miscellaneous PEPRA 2% @ 62

<sup>(4)</sup> Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**City of Lindsay**  
**Required Supplementary Information**  
**For the year ended June 30, 2020**

**3. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**A. Schedule of Changes in the City's Total OPEB Liability and Related Ratios**

Fiscal Year:	2020	2019	2018
<b>Changes in the year:</b>			
Service cost	\$ 99,506	\$ 76,602	\$ 79,370
Interest on the total pension liability	42,590	58,378	52,405
Differences between actual and expected experience	73,023	(2,879)	1,127
Changes in assumptions	175,866	72,921	(52,488)
Benefits paid to retirees	(40,536)	(37,872)	(31,041)
Net changes	350,449	167,150	49,373
<b>Total OPEB Liability - beginning of the year</b>	<b>\$ 1,607,791</b>	<b>\$ 1,440,641</b>	<b>\$ 1,391,268</b>
<b>Total OPEB Liability - end of the year</b>	<b>\$ 1,958,240</b>	<b>\$ 1,607,791</b>	<b>\$ 1,440,641</b>
Covered employee payroll	\$ 2,912,375	\$ 2,637,580	\$ 2,560,757
City's total OPEB Liability as a percentage of covered employee payroll	67.24%	60.96%	56.26%



*This page intentionally left blank*

---

## SUPPLEMENTARY INFORMATION

---

Final Draft  
2-18-21

*This page intentionally left blank*

## GENERAL FUND

Final Draft  
2-18-21

**City of Lindsay**  
**Combining Balance Sheet**  
**General Fund**  
**June 30, 2020**

	General Fund	Public Safety Asset Forfeiture	Street Improvement	COVID-19	Park Improvement
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,923,266	\$ 35,528	\$ 689,818	\$ (68,200)	\$ 11,739
Accounts receivable, net	195,055	73	82,327	-	-
Due from other funds	40,773	-	-	-	-
Due from other governments	571,269	-	-	-	-
<b>Total assets</b>	<b>\$ 2,730,363</b>	<b>\$ 35,601</b>	<b>\$ 772,145</b>	<b>\$ (68,200)</b>	<b>\$ 11,739</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts and other payables	\$ 119,569	\$ 5,276	\$ 49,860	\$ 4,015	\$ -
Accrued wages	130,358	-	-	3,619	-
Refundable deposits	545	-	-	-	-
<b>Total liabilities</b>	<b>250,472</b>	<b>5,276</b>	<b>49,860</b>	<b>7,634</b>	<b>-</b>
<b>Fund Balances:</b>					
Assigned	-	30,325	722,285	-	11,739
Unassigned	2,479,891	-	-	(75,834)	-
<b>Total fund balances</b>	<b>2,479,891</b>	<b>30,325</b>	<b>722,285</b>	<b>(75,834)</b>	<b>11,739</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,730,363</b>	<b>\$ 35,601</b>	<b>\$ 772,145</b>	<b>\$ (68,200)</b>	<b>\$ 11,739</b>

---

Capital Projects	Total General Fund
\$ 48,352	\$ 2,640,503
-	277,455
-	40,773
-	571,269
<u>\$ 48,352</u>	<u>\$ 3,530,000</u>

\$ 48,352	\$ 227,072
-	133,977
-	545
<u>48,352</u>	<u>361,594</u>

-	764,349
-	2,404,057
-	3,168,406
<u>\$ 48,352</u>	<u>\$ 3,530,000</u>

**City of Lindsay**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
**For the year ended June 30, 2020**

	General Fund	Public Safety Asset Forfeiture	Street Improvement	COVID-19	Park Improvement
<b>REVENUES:</b>					
Property taxes	\$ 363,302	\$ -	\$ -	\$ -	\$ -
Sales taxes	1,061,649	-	-	-	-
Measure O taxes	1,148,106	-	-	-	-
Utilities users' taxes	996,886	-	-	-	-
Other taxes	1,477,246	-	-	-	-
Street improvement program	-	-	897,075	-	-
Licenses and permits	249,691	-	-	-	4,550
Intergovernmental	166,142	-	-	-	-
Charges for services	8,850	-	-	-	-
Fees and fines	190,315	-	-	-	-
Interest revenue	15,834	272	8,830	-	56
Other revenues	393,594	-	-	-	-
<b>Total revenues</b>	<b>6,071,615</b>	<b>272</b>	<b>905,905</b>	<b>-</b>	<b>4,606</b>
<b>EXPENDITURES:</b>					
Current:					
General government	772,906	-	-	-	-
Public safety	2,765,687	-	-	75,834	-
Parks and recreation	166,701	-	-	-	-
Public works	507,754	-	-	-	-
Streets and transportation	189,767	-	-	-	-
Community development	108,002	-	-	-	-
Debt service:					
Principal	259,361	-	49,861	-	-
Interest and administrative charges	115,928	-	-	-	-
Capital outlay	51,704	-	-	-	-
<b>Total expenditures</b>	<b>4,937,810</b>	<b>-</b>	<b>49,861</b>	<b>75,834</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,133,805</b>	<b>272</b>	<b>856,044</b>	<b>(75,834)</b>	<b>4,606</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	311,229	-	-	-	-
Transfers out	(268,176)	-	(790,518)	-	-
<b>Total other financing sources (uses)</b>	<b>43,053</b>	<b>-</b>	<b>(790,518)</b>	<b>-</b>	<b>-</b>
<b>SPECIAL ITEM:</b>					
Settlement of housing programs	2,564,731	-	-	-	-
<b>Net change in fund balances</b>	<b>3,741,589</b>	<b>272</b>	<b>65,526</b>	<b>(75,834)</b>	<b>4,606</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year, as restated	(1,261,698)	30,053	656,759	-	7,133
End of year	\$ 2,479,891	\$ 30,325	\$ 722,285	\$ (75,834)	\$ 11,739

Capital Projects	Total General Fund
\$ -	\$ 363,302
-	1,061,649
-	1,148,106
-	996,886
-	1,477,246
-	897,075
-	254,241
47,045	213,187
-	8,850
-	190,315
-	24,992
-	393,594
47,045	7,029,443
-	772,906
-	2,841,521
-	166,701
-	507,754
374	190,141
-	108,002
-	309,222
-	115,928
2,008,817	2,060,521
2,009,191	7,072,696
(1,962,146)	(43,253)
2,016,273	2,327,502
-	(1,058,694)
2,016,273	1,268,808
-	2,564,731
54,127	3,790,286
(54,127)	(621,880)
\$ -	\$ 3,168,406



*This page intentionally left blank*

## NON-MAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

*Special Assessment Districts Fund* account for the activities of the special assessment housing districts in the City. Property owners in these districts pay additional property tax to fund special landscaping and other services in the district.

*Gas Tax Fund* accounts for transportation funding from the State's gas tax. It includes funds for construction, maintenance, engineering, congestion relief and road rehabilitation. The City uses Gas Tax funds on streets and transportation projects.

*Transit Fund* accounts for revenues from bus fare token. The City does not operate the bus system in Lindsay, but does sell bus fare tokens. Transit Funds are used in conjunction with transit projects.

### CAPITAL PROJECT FUND

*Curb and Gutter Fund* is part of Sewer Fund. It accounts for funds for some street and sidewalk repairs.

**City of Lindsay**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2020**

	Special Revenue			Capital Projects	Total Non-Major Governmental Funds
	Special Assessment Districts	Gas Tax	Transit	Curb and Gutter	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 76,663	\$ 744,353	\$ 7,225	\$ 12,201	\$ 840,442
Accounts receivable, net	-	1,503	-	(600)	903
Due from other governments	1,304	188,202	-	-	189,506
Notes receivable	-	-	-	3,769	3,769
<b>Total assets</b>	<b>\$ 77,967</b>	<b>\$ 934,058</b>	<b>\$ 7,225</b>	<b>\$ 15,370</b>	<b>\$ 1,034,620</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts and other payables	\$ 4,110	\$ 8,398	\$ -	\$ -	\$ 12,508
Accrued wages	-	9,765	-	-	9,765
<b>Total liabilities</b>	<b>4,110</b>	<b>18,163</b>	<b>-</b>	<b>-</b>	<b>22,273</b>
<b>Fund Balances:</b>					
Restricted	73,857	915,895	7,225	15,370	1,012,347
<b>Total fund balances</b>	<b>73,857</b>	<b>915,895</b>	<b>7,225</b>	<b>15,370</b>	<b>1,012,347</b>
<b>Total liabilities and fund balances</b>	<b>\$ 77,967</b>	<b>\$ 934,058</b>	<b>\$ 7,225</b>	<b>\$ 15,370</b>	<b>\$ 1,034,620</b>

**City of Lindsay**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2020**

	Special Revenue			Capital Projects	Total Non-Major Governmental Funds
	Special Assessment Districts	Gas Tax	Transit	Curb and Gutter	
<b>REVENUES:</b>					
Other taxes	\$ 64,074	\$ -	\$ -	\$ -	\$ 64,074
Intergovernmental	-	689,553	250,000	-	939,553
Fees and fines	-	-	169	-	169
Interest revenue	-	10,150	-	92	10,242
<b>Total revenues</b>	<b>64,074</b>	<b>699,703</b>	<b>250,169</b>	<b>92</b>	<b>1,014,038</b>
<b>EXPENDITURES:</b>					
Current:					
General government	63,059	-	-	-	63,059
Streets and transportation	-	253,443	250,522	-	503,965
Capital outlay	-	15,371	-	-	15,371
<b>Total expenditures</b>	<b>63,059</b>	<b>268,814</b>	<b>250,522</b>	<b>-</b>	<b>582,395</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,015</b>	<b>430,889</b>	<b>(353)</b>	<b>92</b>	<b>431,643</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers out	-	(653,885)	-	-	(653,885)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(653,885)</b>	<b>-</b>	<b>-</b>	<b>(653,885)</b>
<b>Net change in fund balances</b>	<b>1,015</b>	<b>(222,996)</b>	<b>(353)</b>	<b>92</b>	<b>(222,242)</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of year	72,842	1,138,891	7,578	15,278	1,234,589
End of year	\$ 73,857	\$ 915,895	\$ 7,225	\$ 15,370	\$ 1,012,347

Final Draft  
2-18-21

*This page intentionally left blank*

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council  
of the City of Lindsay  
Lindsay, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lindsay, California (City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated **Month XX, 2021**.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described as items 2020-001, 2020-002 and 2020-03 in the accompanying schedule of findings and responses to be significant deficiencies.

To the Honorable Mayor and Members of the City Council  
of the City of Lindsay  
Lindsay, California  
Page 2

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2020-001.

### **City's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Badawi and Associates  
Certified Public Accountants  
Berkeley, California  
Month XX, 2021

**City of Lindsay**  
**Schedule of Findings and Responses**  
**For the year ended June 30, 2020**

---

**CURRENT YEAR FINDINGS**

**2020-001 – Noncompliance with Laws, Regulations, Contract and Grants (Significant Deficiency)**

**Criteria:**

Restricted resources such as grant funds and utility rate payer monies restricted by California Proposition 218 are to be used only for their legally intended purpose. In addition, any borrowings by other funds from these restricted resources are usually not allowed unless it is very short term in nature and if it does occur, it should be recognized by the City and a repayment plan should be put in place.

**Condition:**

During our audit we noted that there were several incidents of non-compliance as follow:

- Borrowing of grant funds for the City's general operations. Between 2008 and 2017, the City experienced annual deficits in its General Fund, McDermont Sports Complex Fund and the Wellness Center Fund. In order to fund the overspending, the City borrowed grant funds from Housing and Community Development (HCD) programs.
- Prior to 2011, the City authorized home loans through the HCD program to some City employees and relatives of employees who did not qualify for the program.
- Prior to 2011, HCD grant funds not spent in accordance with grant agreement. The State believe that the City spent \$900,000 not in accordance with the grant guidelines.
- Prior to July 1, 2017, the City's General Fund had borrowed against utility funds that are restricted by Proposition 218 to be used to cover the cost of providing such utility services and benefit the rate payer. The City subsequently formalized such borrowing by approving interfund loan agreements that specified repayment terms for each borrowing. The City now has subsequently passed a resolution forgiving these loans, and is now noncompliant with Proposition 218. In effect, the restricted rate payer moneys were used to pay for activities other than their intended purposes.

**Cause:**

The City violated Proposition 218 and several grant agreements to cover its operating deficits.

**Effect:**

The effect cannot be determined at this point as the City is in discussion with the granting agencies to resolve the matter and it is undeterminable whether lawsuits will be filed to recover the rate payer monies. It is likely that the City will have to refund some of the funds back to the granting agencies.

**Recommendation:**

We recommend that the City institute controls to ensure compliance with laws and regulation and to settle the outstanding issues with the granting agencies.



**City of Lindsay**  
**Schedule of Findings and Responses**  
**For the year ended June 30, 2020**

---

**CURRENT YEAR FINDINGS, Continued**

**Management Response:**

The City of Lindsay staff concurs with the Auditors comments. Over the past couple of years, the City pursued substantive corrective measures to rectify the non-compliant use of grant monies and put in place initiatives, policies, and procedure to prevent future occurrences.

On September 8, 2020, the City reached a settlement with the California Housing and Community Development Department (HCD) in the total amount of \$3,790,786 for repayment of all improperly applied grant funds. The agreement affords the city a manageable repayment amount of \$89,360 annually over time and, If all payments are made timely, a remaining balance of \$1,100,000 would be forgiven.

Also, the City Council has been taking proactive and meaningful steps to improve the City's financial situation and outlook. In February 2017, City Council declared a fiscal emergency, placed a successful 1% transactions and use tax measure on the June 2017 special election ballot. Further, the City Council adopted ordinances allowing the retail selling and wholesale cultivation of cannabis. The McDermont Sports Complex operations was also outsourced to a private entity effective January 1, 2018. . These new revenue initiatives and cost containment measures puts the city on a recovery path that should preclude the misapplication of future grant funds.

**2020-002 – Restatement of Previously Issued Financial Statements (Significant Deficiency)**

**Criteria:**

The City is responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America.

**Condition:**

The City recorded a prior period adjustment to correct amounts recognized as payables and receivables between the City's General Fund and the Successor Agency Private Purpose Trust Fund, account for properties transferred to the City from the Successor Agency Private Purpose Trust Fund, and remove prepaid amounts that cleared in previous years.

**Cause:**

The City's internal controls over financial reporting did not identify the misstatement in a timely manner resulting in the restatement.

**Context and Effect:**

The City's previously issued financial statements were not fairly stated in conformity with accounting principles generally accepted in the United States of America.

**Recommendation:**

We recommend that the City enhance its internal control over financial reporting to ensure complete and accurate financial reporting. The City can accomplish this by expanding its year-end closing procedures to ensure that all non-routine and nonsystematic transactions are accounted for, the appropriate accounting standards are applied, and transactions are accounted for in the proper period.

**City of Lindsay**  
**Schedule of Findings and Responses**  
**For the year ended June 30, 2020**

---

**CURRENT YEAR FINDINGS, Continued**

**Management Response:**

Staff concurs with the Auditors findings and comments. Going forward, the year-end closing process will be expanded to include a deliberate search for unrecorded non-routine and nonsystematic transactions.

**2020-003 – Control Over Accounts Receivable (Significant Deficiency)**

**Criteria:**

A good internal control system over accounts receivable requires that certain reports such as aging accounts receivable be produced and reviewed to track delinquent account and to ensure all receivables are valid and collectible.

**Condition:**

During our audit we noted that the City was unable to produce an aging accounts receivable report that could be matched to the general ledger.

**Cause:**

The accounting system does not enable the City to generate an aging accounts receivable report that matches to the general ledger.

**Effect:**

Accounts receivable could be misstated and the City's ability to track delinquent accounts may be impacted.

**Recommendation:**

We recommend that the City develop procedures to generate an aging accounts receivable report that matches with the general ledger.

**Management Response:**

As previously reported, the cost of upgrading of the city's current system to meet this requirement is a daunting financial challenge for the city. However, the city will continue to explore other operational options while striving to set aside funds as available to implement the requisite system upgrade as soon as practicable.



# **LINDSAY CITY COUNCIL REGULAR MEETING AGENDA MINUTES**

City Hall, 251 E. Honolulu St., Lindsay, CA 93247

Notice is hereby given that the Lindsay City Council will hold a Regular Meeting on February 9, 2021 via webinar only. The webinar address for members of the public is

[https://www.bigmarker.com/griswold\\_lasalle/February-9-2021-Lindsay-Council-Meeting](https://www.bigmarker.com/griswold_lasalle/February-9-2021-Lindsay-Council-Meeting).

Persons with disabilities who may need assistance should contact the City Clerk at least 24 hours prior to the meeting at (559) 562-7102 ext. 8011 or via email at [lindsay.cityclerk@lindsay.ca.us](mailto:lindsay.cityclerk@lindsay.ca.us).

## **1. CALL TO ORDER**

## **2. ROLL CALL**

<b>Present</b>	Council Member Serna* Mayor Pro Tem Flores Mayor Caudillo Council Member Cerros Council Member Sanchez
<b>Absent with Notice</b>	N/A
<b>Absent</b>	N/A

\*Council Member Serna joined via webinar.

## **3. PLEDGE**

- Led by Council Member Cerros.

## **4. PUBLIC COMMENT**

- A resident congratulated the recently elected members of the Council and thanked them for their dedication to Lindsay.
- Taylor Gibbs, Energy Consultant of Vivint Solar, provided the Council with information regarding solar panel services for Lindsay residents. Mr. Gibbs can be reached via email at [taylor.gibbs@vivintsolar.com](mailto:taylor.gibbs@vivintsolar.com) or by phone at (559) 754-4606.

## **5. COUNCIL REPORT**

- Mayor Pro Tem Flores and Mayor Caudillo provided personal updates on their experience with volunteer vaccination efforts in the County. Mayor Caudillo also highlighted the many services offered by CSET (Community Service Employment Training) in Tulare County. Mayor Pro Tem Flores mentioned the desire to honor Lindsay residents who have served in the military. Council Member Serna reported on efforts by the Wellness Center and Vida Sana to provide vaccination services in the City.

## 6. CITY MANAGER REPORT

- The City continues to monitor the vaccination roll out; in particular the possibility of a mass vaccination site being established in Fresno. City offices will be closed next Monday, February 15<sup>th</sup> for Presidents' Day.

## 7. LINDSAY HIGH SCHOOL STUDENT REPORT

*Presented by Leonardo Andrade, ASB City Council Representative*

- Leonardo provided metrics on freshman learners attainment and the educational impact of COVID. He also discussed a new mentoring program, Big Bird Early Bird, designed to ease freshman students' transition to high school.

## 8. CONSENT CALENDAR

Routine items approved in one motion unless item is pulled for discussion.

8.1 Minutes from January 26, 2021 City Council Regular Meeting (pp. 1-4)

8.2 Treasurer's Report for January 2021 (p. 5)

8.3 Warrant List for January 19, 2021 through January 31, 2021 (pp. 6-9)

8.4 Minute Order Approval of TUP No. 21-01 for Angel Garden Flowers (pp. 10-14)

Motion to Approve Consent Calendar							
1 <sup>st</sup>	2 <sup>nd</sup>	Result	Serna*	Flores	Caudillo	Cerros	Sanchez
Flores	Sanchez	(4-0) Approved	--	Aye	Aye	Aye	Aye

\*Technical difficulties prevented Council Member Serna from casting a vote.

## 9. RECOGNITION ITEMS

9.1 February 2021 Work Anniversaries:

**Mari Carrillo** (Human Resources) – 21 Years with the City of Lindsay on February 20<sup>th</sup>

**Officer Adriana Nave** (Public Safety) – 12 Years with the City of Lindsay on February 23<sup>rd</sup>

9.2 Proclamation on National Black History Month (p. 15)

## 10. PRESENTATIONS

10.1 Update from Mid Valley Disposal

*Presented by Sol Flores, Recycling Coordinator*

## 11. ACTION ITEMS

11.1 Approval of **Resolution No. 21-02**, A Resolution of the City Council of the City of Lindsay Authorizing Application for, and Receipt of, Local Government Planning Support Grant Program Funds (pp. 16-21)

*Presented by Michael Camarena, Director of City Services and Planning*

- Mayor Caudillo requested clarification regarding the \$30,000 in-kind payment to be provided by the City over 3 years. Mr. Camarena and the City Manager clarified that the in-kind payment amount could be partially fulfilled with services provided (such as hours billed by the City Services Department).

Motion to Approve Resolution No. 21-02							
1 <sup>st</sup>	2 <sup>nd</sup>	Result	Serna	Flores	Caudillo	Cerros	Sanchez
Cerros	Caudillo	(5-0) Approved	Aye	Aye	Aye	Aye	Aye

## 12. REQUEST FOR FUTURE ITEMS

- Mayor Caudillo requested the Council Members consider submitting the names of Lindsay residents for future proclamations.

## 13. ADJOURNMENT

Lindsay City Council meetings are held in the City Council Chambers at 251 E. Honolulu Street in Lindsay, California beginning at 6:00 P.M. on the second and fourth Tuesday of every month unless otherwise noticed. Materials related to an Agenda item submitted to the legislative body after distribution of the Agenda Packet are available for public inspection in the office of the City Clerk during normal business hours. Complete agenda is available at [www.lindsay.ca.us](http://www.lindsay.ca.us). In compliance with the Americans with Disabilities Act & Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the office of the Deputy City Clerk at (559) 562-7102 x 8025. Notification 48 hours prior to the meeting will enable the City to ensure accessibility to this meeting and/or provision of an alternative format of the agenda and documents in the agenda packet.

Check#	Fund	Date	Vendor #	Vendor Name	Description	Amount
<b>TOTAL</b>						
<b>18253</b>						<b>\$729.00</b>
	101-GENERALFUND	02/08/21	2873	ADVANTAGE ANSWERING	1/1/21-1/31/21	10.00
	101-GENERALFUND	02/08/21	2873	ADVANTAGE ANSWERING	1/1/21-1/31/21	719.00
<b>18254</b>						<b>\$74.23</b>
	101-GENERALFUND	02/08/21	6362	AMERICAN BUSINESS M	BLACK AND COLOR TON	74.23
<b>18255</b>						<b>\$795.20</b>
	101-GENERALFUND	02/08/21	6600	AMERICAN HERITAGE L	ACCIDENT PLAN JANUA	795.20
<b>18256</b>						<b>\$1,807.61</b>
	553-SEWER	02/08/21	5493	AQUA NATURAL SOLUTI	MICROBE LIFT INDUST	1,807.61
<b>18257</b>						<b>\$214.07</b>
	101-GENERALFUND	02/08/21	5457	AUTO ZONE COMMERCIA	WIPER BLADE	37.39
	101-GENERALFUND	02/08/21	5457	AUTO ZONE COMMERCIA	POWER STEERING FLUI	18.48
	101-GENERALFUND	02/08/21	5457	AUTO ZONE COMMERCIA	DIESEL MOTOR OIL	13.04
	552-WATER	02/08/21	5457	AUTO ZONE COMMERCIA	DURALAST ADAPTOR	24.99
	552-WATER	02/08/21	5457	AUTO ZONE COMMERCIA	SOCKET ADAPTAR	31.50
	552-WATER	02/08/21	5457	AUTO ZONE COMMERCIA	RETURN SOCKET	(9.78)
	552-WATER	02/08/21	5457	AUTO ZONE COMMERCIA	DURALAST SOCKET	9.78
	552-WATER	02/08/21	5457	AUTO ZONE COMMERCIA	RADIATOR CAP	25.64
	552-WATER	02/08/21	5457	AUTO ZONE COMMERCIA	MOTOR OIL	63.03
<b>18258</b>						<b>\$1,860.00</b>
	552-WATER	02/08/21	051	BSK	WATER TESTING	1,860.00
<b>18259</b>						<b>\$361.55</b>
	101-GENERALFUND	02/08/21	6351	CANON FINANCIAL SER	CANON LEASE	361.55
<b>18260</b>						<b>\$60.00</b>
	101-GENERALFUND	02/08/21	3845	CHADS AUTO GLASS	VEHICLE REPAIR & MA	60.00
<b>18262</b>						<b>\$3,551.45</b>
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	127.37
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	24.42
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	254.74
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	27.19
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	35.52
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	38.10
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	127.37
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	24.42
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	254.74
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	27.19
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	35.52
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	38.10
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	127.37
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	24.42
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	254.74
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	27.19
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	35.52
	101-GENERALFUND	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	38.10
	552-WATER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	127.37
	552-WATER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	24.42
	552-WATER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	254.74
	552-WATER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	27.19
	552-WATER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	35.52
	552-WATER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	38.10
	553-SEWER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	127.37
	553-SEWER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	24.42
	553-SEWER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	254.74
	553-SEWER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	27.19
	553-SEWER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	35.52
	553-SEWER	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	38.10
	554-REFUSE	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	127.37
	554-REFUSE	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	24.42
	554-REFUSE	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	254.74
	554-REFUSE	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	27.19
	554-REFUSE	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	35.52
	554-REFUSE	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	38.10
	556-VITA-PAKT	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	127.38
	556-VITA-PAKT	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	24.44
	556-VITA-PAKT	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	254.76
	556-VITA-PAKT	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	27.22
	556-VITA-PAKT	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	35.52
	556-VITA-PAKT	02/08/21	5832	CINTAS CORPORATION	OPERATING SUPPLIES	38.09
<b>18263</b>						<b>\$28.96</b>
	101-GENERALFUND	02/08/21	6549	COLANTUONO, HIGHSMI	SCE COALITION	28.96
<b>18264</b>						<b>\$2,419.14</b>
	553-SEWER	02/08/21	5978	DOMINO SOLAR LTD	12/1/20-12/31/20	2,419.14
<b>18265</b>						<b>\$22.97</b>
	552-WATER	02/08/21	119	DOUG DELEO WELDING	SUPPLIES	22.97
<b>18266</b>						<b>\$87.92</b>
	552-WATER	02/08/21	6113	EAST KAWEAH GSA	YEARLY ASSESSMENT	87.92
<b>18267</b>						<b>\$88.18</b>

	552-WATER	02/08/21	6113	EAST KAWEAH GSA	YEARLY ASSESSMENT	88.18
<b>18268</b>						<b>\$952.76</b>
	552-WATER	02/08/21	6113	EAST KAWEAH GSA	YEARLY ASSESSMENT	952.76
<b>18269</b>						<b>\$1,008.56</b>
	779-00-HOME-0487	02/08/21	5284	FARMERS	D338068681 J. VILLA	1,008.56
<b>18270</b>						<b>\$3,686.67</b>
	552-WATER	02/08/21	3461	FERGUSON ENTERPRISE	WATER SUPPLIES	3,053.64
	552-WATER	02/08/21	3461	FERGUSON ENTERPRISE	WATER BVF BARE STEM	633.03
<b>18271</b>						<b>\$8,763.86</b>
	552-WATER	02/08/21	137	FRIANT WATER AUTHOR	FCK O & M FEB 2021	5,699.00
	552-WATER	02/08/21	137	FRIANT WATER AUTHOR	SLDMWA JANUARY	3,064.86
<b>18272</b>						<b>\$1,250.41</b>
	101-GENERALFUND	02/08/21	6010	FRONTIER COMMUNICAT	562-2512	135.53
	101-GENERALFUND	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2650	23.13
	101-GENERALFUND	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2652	46.25
	101-GENERALFUND	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2656	46.25
	101-GENERALFUND	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2662	61.16
	101-GENERALFUND	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2650	23.13
	101-GENERALFUND	02/08/21	6010	FRONTIER COMMUNICAT	209-042-9309	1.99
	552-WATER	02/08/21	6010	FRONTIER COMMUNICAT	562-7131	133.68
	552-WATER	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2650	23.13
	552-WATER	02/08/21	6010	FRONTIER COMMUNICAT	209-150-2936	84.17
	552-WATER	02/08/21	6010	FRONTIER COMMUNICAT	562-1552	95.81
	553-SEWER	02/08/21	6010	FRONTIER COMMUNICAT	209-150-3621	118.17
	553-SEWER	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2650	23.13
	553-SEWER	02/08/21	6010	FRONTIER COMMUNICAT	562-7132	261.00
	553-SEWER	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2654	46.25
	553-SEWER	02/08/21	6010	FRONTIER COMMUNICAT	209-151-2655	46.25
	553-SEWER	02/08/21	6010	FRONTIER COMMUNICAT	559-562-6317	81.38
<b>18273</b>						<b>\$340.29</b>
	101-GENERALFUND	02/08/21	1970	GIOTTO'S	COUNTER BUTTON	340.29
<b>18274</b>						<b>\$3,732.65</b>
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	DOOR HANDLE LIC1366	174.97
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	OIL CHANGE LIC13667	2.00
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	GENERATOR LPD	240.00
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	LIC1389807 WINDOW R	325.63
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	DOOR LOCK LIC138980	345.40
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	FUEL INJECTOR 11797	558.13
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	LIC1366704 BRAKE SY	779.49
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	OIL CHANGE LIC14560	22.00
	101-GENERALFUND	02/08/21	148	GOMEZ AUTO & SMOG	OIL CHANGE LIC14008	22.00
	552-WATER	02/08/21	148	GOMEZ AUTO & SMOG	OIL CHANGE 1456093	22.00
	552-WATER	02/08/21	148	GOMEZ AUTO & SMOG	OIL CHANGE 1456094	22.00
	552-WATER	02/08/21	148	GOMEZ AUTO & SMOG	LIC1051245 P. S.PUM	265.75
	552-WATER	02/08/21	148	GOMEZ AUTO & SMOG	LIC1051245 WHEEL HU	415.83
	552-WATER	02/08/21	148	GOMEZ AUTO & SMOG	HEATER- LIC1157650	537.45
<b>18275</b>						<b>\$50.00</b>
	101-GENERALFUND	02/08/21	6604	HIPOLITO CERROS	COUNCIL STIPEND	50.00
<b>18276</b>						<b>\$338.00</b>
	101-GENERALFUND	02/08/21	4714	HUNTINGTON COURT RE	CASE NO. 17-0513	338.00
<b>18277</b>						<b>\$300.00</b>
	101-GENERALFUND	02/08/21	6346	JEFF PFEIFFER	SQUIRREL TREATMENT	300.00
<b>18278</b>						<b>\$53,841.89</b>
	101-GENERALFUND	02/08/21	6100	KEENAN & ASSOCIATES	HEALTH PLAN FEB 202	50,359.30
	101-GENERALFUND	02/08/21	6100	KEENAN & ASSOCIATES	COMPLETE CARE PLAN	895.57
	101-GENERALFUND	02/08/21	6100	KEENAN & ASSOCIATES	RETIREE PLAN FEB 20	2,587.02
<b>18279</b>						<b>\$6,307.68</b>
	101-GENERALFUND	02/08/21	214	LEAGUE OF CALIF CIT	MEMBERSHIP DUES 202	137.68
	101-GENERALFUND	02/08/21	214	LEAGUE OF CALIF CIT	MEMBERSHIP DUES 202	6,170.00
<b>18280</b>						<b>\$1,383.45</b>
	101-GENERALFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	42.94
	101-GENERALFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	110.08
	101-GENERALFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	132.78
	101-GENERALFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	353.06
	101-GENERALFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	37.47
	101-GENERALFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	78.52
	101-GENERALFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	101.09
	305-COVID-19EMERGENCYFUND	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	26.08
	400-WELLNESSCENTER	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	109.81
	552-WATER	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	240.96
	553-SEWER	02/08/21	1422	LINDSAY TRUE VALUE	C.S 12/31/2020	150.66
<b>18281</b>						<b>\$200.00</b>
	101-GENERALFUND	02/08/21	234	MARTIN'S TIRE & AUT	TOWING FEES	200.00
<b>18282</b>						<b>\$549.59</b>
	101-GENERALFUND	02/08/21	6162	MUNISERVICES	3RD QTR 2020	549.59
<b>18283</b>						<b>\$14,130.00</b>
	101-GENERALFUND	02/08/21	6579	MV CHENG & ASSOCIAT	FINANCE DIRECTOR CO	14,130.00
<b>18284</b>						<b>\$463.28</b>
	101-GENERALFUND	02/08/21	5625	NGLIC-SUPERIOR VISI	FEBRUARY VISION PLA	463.28



<b>18285</b>						<b>\$3,081.43</b>
	552-WATER	02/08/21	6498	PACWEST DIRECT	DBP NOTICES	1,428.93
	552-WATER	02/08/21	6498	PACWEST DIRECT	UB LASER PRINTING 1	<b>550.84</b>
	553-SEWER	02/08/21	6498	PACWEST DIRECT	UB LASER PRINTING 1	550.84
	554-REFUSE	02/08/21	6498	PACWEST DIRECT	UB LASER PRINTING 1	550.82
<b>18286</b>						<b>\$760.22</b>
	101-GENERALFUND	02/08/21	276	PORTERVILLE RECORDER	AD 00077693	760.22
<b>18287</b>						<b>\$544.27</b>
	101-GENERALFUND	02/08/21	285	QUILL CORPORATION	COUNCIL NAME PLATES	51.60
	101-GENERALFUND	02/08/21	285	QUILL CORPORATION	TONER CART	492.67
<b>18288</b>						<b>\$4,000.00</b>
	552-WATER	02/08/21	6095	RALPH GUTIERREZ WAT	C P O WATER TREATME	2,000.00
	553-SEWER	02/08/21	6095	RALPH GUTIERREZ WAT	C P O WASTE WATER	2,000.00
<b>18289</b>						<b>\$50.00</b>
	101-GENERALFUND	02/08/21	6602	RAMINO SERNA	COUNCIL STIPEND	50.00
<b>18290</b>						<b>\$75.00</b>
	101-GENERALFUND	02/08/21	6603	RAMONA CAUDILLO	COUNCIL STIPEND	75.00
<b>18291</b>						<b>\$2,538.50</b>
	101-GENERALFUND	02/08/21	3622	RLH FIRE PROTECTION	FIRE SPRINKLERS INS	1,858.50
	101-GENERALFUND	02/08/21	3622	RLH FIRE PROTECTION	ALARM MONITORING	680.00
<b>18292</b>						<b>\$50.00</b>
	101-GENERALFUND	02/08/21	5511	ROSAENA SANCHEZ	COUNCIL STIPEND	50.00
<b>18293</b>						<b>\$176.88</b>
	101-GENERALFUND	02/08/21	5624	SIERRA SANITATION,	FC12666	3.00
	101-GENERALFUND	02/08/21	5624	SIERRA SANITATION,	EQUIPMENT RENTAL	173.88
<b>18294</b>						<b>\$577.00</b>
	553-SEWER	02/08/21	890	SJVAPCD	21/22 ANNUAL PERMIT	577.00
<b>18295</b>						<b>\$22,947.13</b>
	101-GENERALFUND	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	629.52
	101-GENERALFUND	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	1,093.66
	101-GENERALFUND	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	26.49
	101-GENERALFUND	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	49.75
	101-GENERALFUND	02/08/21	310	SOUTHERN CA. EDISON	3-033-5943-68	13.46
	101-GENERALFUND	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	804.84
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	2-31-363-1293	115.95
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	3-033-9504-85	20.39
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	3-033-9421-46	28.03
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	2-35-921-6264	34.90
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	3-033-1133-77	41.16
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	5,495.38
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	3-033-1133-94	58.09
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	3-033-9591-42	59.08
	261-GASTAXFUND	02/08/21	310	SOUTHERN CA. EDISON	3-023-0081-92	59.35
	552-WATER	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	13,261.93
	553-SEWER	02/08/21	310	SOUTHERN CA. EDISON	3-035-4725-72	24.03
	553-SEWER	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	288.48
	556-VITA-PAKT	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	194.81
	883-SIERRAVIEWASSESSMENT	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	139.87
	884-HERITAGEASSESSMENTDIST	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	11.51
	884-HERITAGEASSESSMENTDIST	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	11.51
	887-SWEETBRIERTOWNHOUSES	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	65.01
	888-PARKSIDE	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	11.51
	889-SIERRAVISTAASSESSMENT	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	58.09
	890-MAPLEVALLEYASSESSMENT	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	85.97
	891-PELOUSRANCH	02/08/21	310	SOUTHERN CA. EDISON	2-35-921-6264	13.89
	891-PELOUSRANCH	02/08/21	310	SOUTHERN CA. EDISON	2-00-424-8134	222.47
	891-PELOUSRANCH	02/08/21	310	SOUTHERN CA. EDISON	2-32-032-1755	28.00
<b>18296</b>						<b>\$620.00</b>
	779-00-HOME-0487	02/08/21	3634	STATE FARM INSURANC	S.PEREZ 87-D2-8405-	620.00
<b>18297</b>						<b>\$220.00</b>
	101-GENERALFUND	02/08/21	6123	TOW PRO	TOW FEE FILE 201343	220.00
<b>18298</b>						<b>\$2,300.00</b>
	553-SEWER	02/08/21	6601	TRAVIOLI CONSTRUCTI	LIFT STATION REPAIR	2,300.00
<b>18300</b>						<b>\$2,935.79</b>
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	HOBBY LOBBY (COUNCIL FRAMES)	11.91
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	BESTBUY	238.69
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	POKEONES KEYS	7.74
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	SOCIETYFOR HR	219.00
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	CITY CLERK ASSOCIAT	40.00
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	MONOPRICE	68.64
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ZOOM	13.50
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	AMAZON	152.22
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ADOBE	14.99
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	FUGAZZIS	99.51
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	F.C	50.30
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	LOWES	24.93
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	AMAZON	56.02
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	FASTRIP	18.99
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ROSAS ITALIAN	276.14
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	THE FLOWER MILL	88.38
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ADOBE	14.99
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ADOBE	9.99
	101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	SMART FINAL	142.73



101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	KEY EVIDENCE	14.60
101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ADOBE	12.99
101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ADOBE	14.99
101-GENERALFUND	02/08/21	6326	CORPORATE PAYMENT S	ORANGE WORKS	186.00
305-COVID-19EMERGENCYFUND	02/08/21	6326	CORPORATE PAYMENT S	AMAZON	124.63
305-COVID-19EMERGENCYFUND	02/08/21	6326	CORPORATE PAYMENT S	OFFICE DEPOT	542.49
400-WELNESSCENTER	02/08/21	6326	CORPORATE PAYMENT S	PSW	20.00
400-WELNESSCENTER	02/08/21	6326	CORPORATE PAYMENT S	CRICKET	60.00
400-WELNESSCENTER	02/08/21	6326	CORPORATE PAYMENT S	ADOBE	14.99
400-WELNESSCENTER	02/08/21	6326	CORPORATE PAYMENT S	DOLLAR GENERAL	147.34
400-WELNESSCENTER	02/08/21	6326	CORPORATE PAYMENT S	LOWES	229.16
400-WELNESSCENTER	02/08/21	6326	CORPORATE PAYMENT S	SAVEMART	19.93
<b>18301</b>					<b>\$2,540.03</b>
552-WATER	02/08/21	5413	UNIVAR USA INC	WELL MATERIALS	1,201.58
552-WATER	02/08/21	5413	UNIVAR USA INC	WELL MATERIALS	569.44
552-WATER	02/08/21	5413	UNIVAR USA INC	WELL MATERIALS	769.01
<b>18302</b>					<b>\$287.30</b>
305-COVID-19EMERGENCYFUND	02/08/21	356	USA BLUEBOOK	LYSOL FLATPACK	132.18
552-WATER	02/08/21	356	USA BLUEBOOK	CAUTION SIGN	57.67
553-SEWER	02/08/21	356	USA BLUEBOOK	FILTER PAPER 100/PK	39.78
553-SEWER	02/08/21	356	USA BLUEBOOK	CAUTION SIGN	57.67
<b>18303</b>					<b>\$158.50</b>
101-GENERALFUND	02/08/21	4716	WALO'S AUTO REPAIR	KEYS	158.50
<b>18304</b>					<b>\$6,090.00</b>
101-GENERALFUND	02/08/21	2790	WILLDAN INC.	BUILDING INSPECTION	1,530.00
101-GENERALFUND	02/08/21	2790	WILLDAN INC.	CODE ENFORCEMENT	4,560.00
<b>18305</b>					<b>\$50.00</b>
101-GENERALFUND	02/08/21	4068	YOLANDA FLORES	COUNCIL STIPEND	50.00



## STAFF REPORT

TO: Lindsay City Council  
FROM: Michael Camarena, Director of City Services and Planning  
DEPARTMENT: City Services  
ITEM NO.: 8.3  
MEETING DATE: February 23, 2021

### **ACTION & RECOMMENDATION**

Consider Approval of Extension of City Engineer and City Surveyor Agreement with QK, Inc.

### **BACKGROUND | ANALYSIS**

On July 10, 2018, Council approved entering into Engineering Services Agreements specific to retaining a qualified Civil Engineering Consultant to fulfill the title of City Engineer and City Surveyor. This consultant will provide professional services on a variety of project on an “as-needed” basis.

QK, Inc. was approved to enter into the initial agreement after a Request for Qualifications (RFQ) process was completed. There were 4 local engineering consultants that took part in the RFQ process.

The initial agreement had a 2-year term with the ability for two, two-year extensions. This consideration is the first of the two possible two-year extensions.

### **FISCAL IMPACT**

In fiscal 2019-2020, the city paid QK, Inc. a total of \$36,926 for a variety of services and projects. Projects included Lafayette and Sycamore water main replacement, Avenue 240 water main bid services, ADA Transition Plan, Pedestrian Pathways Study, review and processing of land division requests (parcel maps and lot line adjustments), Dollar General review and approval, Lindsay Oaks Subdivision review, as well as review of city projects with staff. Some of these projects include Hwy. 65 realignment and roundabouts, our streets programs and the necessary topographic surveying needs.

As the city engineer is retained on an as-needed basis, the above referenced projects were funded through water enterprise funds, streets and gas tax, or if a specific project, then project related development fees are collected to provide the services requested.

### **ATTACHMENTS**

- Engineering Services Agreement, First Extension
- 2021 Charge Rate Schedule

**City of Lindsay**  
**Engineering Services Agreement, First Extension**

THIS AGREEMENT, made and entered into as of the 23<sup>rd</sup> day of February, 2021, by and between the CITY OF LINDSAY, a municipal corporation, hereinafter referred to as CITY, and Quad Knopf, Inc. dba QK, hereinafter referred to as ENGINEER, and based upon the exchange of mutual promises hereinafter contained, the parties agree as follows:

1. The CITY hereby hires Quad Knopf, Inc. dba QK as its City Engineer and City Surveyor, to serve as such at the pleasure of the City Manager of the City of Lindsay. The compensation to be paid to Quad Knopf, Inc. dba QK for services as City Engineer and City Surveyor shall be included in and made a part of the compensation arrangement herein provided for as it relates to other engineering services to be performed for and on behalf of the CITY.
2. The CITY hereby hires Quad Knopf, Inc. dba QK, to do and perform engineering services for and on behalf of the CITY, together with such engineering services as may be required of the City Engineer for the City of Lindsay.
3. This Agreement may be terminated by either party upon thirty (30) days written notice to the other. The term of this Agreement shall begin on February 23, 2021 and extend through February 23, 2023. Contract extensions may be granted as specified in Section 18 of this agreement.
4. The CITY shall pay ENGINEER for their services the hourly rates and reasonable out of pocket expenses as described in the schedule provided as "2021 Charge Rate Schedule" to this Agreement and incorporated herein by reference. All such costs and expenses to be reimbursed by CITY shall be billed monthly and paid by CITY in due course after receipt of billing. The specific scope of work and fee schedule for each work product may be individually agreed upon or work on a time and materials basis.
5. The services to be provided by the ENGINEER for the CITY shall include all the usual and customary city engineer services rendered at the request of the CITY, to include but not be limited to the following: day to day engineering services related to surveying, project design, construction surveys, review and approval of plans submitted to the City requiring the City Engineer's signature, and recommendations and approvals of projects submitted by members of the general public.
6. By specifying the areas of representation in the immediately preceding paragraph, it is not the intention of the parties to preclude the CITY from hiring or engaging other engineers to act on its behalf in any area of concern to CITY.
7. The ENGINEER will provide all reasonable and necessary facilities, equipment, books, supplies, secretarial services, insurance policies and other property or services necessary to carry out and provide the required services pursuant to this Agreement.

8. It is understood that this Agreement provides for the services by the ENGINEER as the City Engineer for the City of Lindsay on a contractual basis and not upon an employer/employee basis.
9. From time to time, the individual named in this Agreement as the City Engineer may designate other engineers within the company to act in his place or stead in matters relating to affairs of the CITY.
10. It is understood that in the interest of the City of Lindsay, ENGINEER shall maintain all necessary licenses and certifications in order continue to provide the requested services.
11. The ENGINEER shall not perform work for private clients within the City of Lindsay's city limits and will not perform work for clients that, in the future, could create conflicts of interest between the CITY and such clients. Any projects within the city limits currently being performed by ENGINEER that were started prior to the initial date of this agreement shall be identified and disclosed by ENGINEER prior to execution of this Agreement. All such projects shall be completed by ENGINEER as soon as practical. In no event shall ENGINEER perform services on behalf of the CITY on, or related to, any such projects.
12. The standard of care for all engineering and related services performed or furnished by ENGINEER under this Agreement shall be the care and skill ordinarily used by members of ENGINEERS' profession practicing as City Engineers under similar circumstances.
13. ENGINEER shall be responsible for the technical accuracy of their services and documents resulting there from, and CITY shall not be responsible for discovering deficiencies therein. ENGINEER shall correct such deficiencies without additional compensation except to the extent such action is directly attributable to deficiencies in CITY furnished information.
14. All documents, records and specifications prepared by ENGINEER for the CITY shall be property of the CITY.

15. ENGINEER shall maintain the following insurance:

Workers' Compensation	As required by law
Errors and Omissions	\$2,000,000 per occurrence
General Liability	\$2,000,000 per occurrence
	\$4,000,000 aggregate
Automobile	\$2,000,000 each accident

16. Neither CITY nor ENGINEER may assign, sublet, or transfer any rights under or interest (including, but not without limitation, moneys that are due or may become due) in this Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

17. To the fullest extent permitted by law, ENGINEER shall indemnify and hold harmless CITY, CITY'S officers, agents, and employees from and against any and all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of ENGINEER or ENGINEERS' officers, directors, partners, employees, agents, and ENGINEERS' consultants in the performance and furnishing of ENGINEERS' services under this Agreement. To the fullest extent permitted by law, CITY shall indemnify and hold harmless ENGINEER, ENGINEERS' officers, directors, partners, agents, and employees from and against any and all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of CITY or CITY'S officers, agents, and employees with respect to this Agreement.

18. The City Manager and Director of City Services shall meet annually with the City Engineer to review the performance of the services provided under this Agreement. Upon satisfactory evaluation, the CITY and ENGINEER may extend this agreement for an additional two-year contract, up to a four-year maximum extension if said conditions are satisfactory to both parties.

This Agreement is entered into as of the date first mentioned above.

CITY OF LINDSAY  
A Municipal Corporation

Attest:

City Manager

\_\_\_\_\_  
Mayra Espinoza-Martinez, City Clerk

\_\_\_\_\_  
Joseph Tanner

**Quad Knopf, Inc. dba QK**

By : \_\_\_\_\_  
Jeff Cowart  
Principal Engineer/VP of Quality  
Control & Municipal Services

# Charge Rate Schedule



## 2021 CHARGE RATE SCHEDULE

Current

TECHNICAL SERVICES	
Project Assistant	\$69 / hour
Project Administrator	\$92 / hour
Assistant CADD Technician/Designer /GIS Technician	\$87 / hour
Associate CADD Technician/Designer /GIS Analyst	\$102 / hour
Senior Associate CADD Technician/Designer/ GIS Analyst	\$118 / hour
Senior CADD Technician/Designer /GIS Analyst	\$133 / hour
Landscape Architect Technician	\$102 / hour
PROFESSIONAL SERVICES	
Engineering	
Assistant Engineer	\$115 / hour
Associate Engineer	\$145 / hour
Senior Associate Engineer	\$170 / hour
Senior Engineer / City Engineer / District Engineer	\$199 / hour
Principal Engineer	\$250 / hour
Planning / Environmental / Landscape Architecture	
Assistant Environmental Scientist	\$80 / hour
Assistant Planner	\$90 / hour
Associate Planner/Environmental Scientist	\$105 / hour
Senior Associate Environmental Scientist	\$130 / hour
Senior Associate Planner	\$130 / hour
Senior Environmental Scientist	\$155 / hour
Senior Planner/ Landscape Architect	\$155 / hour
Principal Planner/Environmental Scientist	\$170 / hour
Senior Principal Planner/Environmental Scientist	\$195 / hour
Construction and Project Management	
Field Construction Observer	\$118 / hour
Senior Field Construction Observer	\$138 / hour
Assistant Construction/Project Manager	\$110 / hour
Associate Construction/Project Manager	\$129 / hour
Project Manager	\$133 / hour
Senior Associate Construction/Project Manager	\$148 / hour
Senior Construction/Project Manager	\$170 / hour
Principal Construction/Project Manager	\$185 / hour
Surveying	
Assistant Surveyor	\$102 / hour
Associate Surveyor	\$116 / hour
Senior Associate Surveyor	\$145 / hour
Senior Surveyor	\$170 / hour
One-Person Survey Crew	\$140 / hour
Two-Person Survey Crew	\$225 / hour
Three-Person Survey Crew	\$275 / hour
UAV Pilot	\$156 / hour
UAV Flight Observer	\$116 / hour

Fees are based on the median hourly pay rate for employees in each classification, plus indirect costs, overhead, and profit.

EXPENSES	
Plotting, Printing and Reproduction, Equipment Rental, Postage and Shipping	1.15 x Cost
Transportation and per diem (QK will provide documented evidence of business travel, travel outside of work areas shall be pre-approved by Client)	1.15 x Cost
Mileage	\$0.67 / mile
Other Expenses – Including Subconsultants & Purchased Services through Subcontracts	1.15 x Cost

Rates are effective through December 31, 2021. If contract assignment extends beyond that date, a new rate schedule may be added to the contract.  
Expert Witness/ Litigation support will be billed as quoted.

Rates based on "Prevailing Wage" (PW) for Construction Surveying will be determined by project and County per California law.

12/23/2020



## STAFF REPORT

TO: Lindsay City Council  
FROM: Michael Camarena, Director of City Services and Planning  
DEPARTMENT: City Services  
ITEM NO.: 8.4  
MEETING DATE: February 23, 2021

### **ACTION & RECOMMENDATION**

Consider Approval of Extension of Master Engineering Services Agreements with Consultants.

### **BACKGROUND | ANALYSIS**

On October 9, 2015, Council approved entering into Master Engineering Services Agreements with 6 local consulting engineering firms. The initial Master Engineering Services Agreements had a 4-year term. The executed Master Engineering Services Agreement dates were active January 4, 2015 with expiration dates of January 3, 2019. There is the ability to extend each master agreement with 2, 2-year extensions for each consulting engineering firm. This final extension requests if approved will expire February 23, 2023. Each consultant was contacted and has expressed willingness to extend their respective master agreements.

The local consulting engineering firms include;

1. 4Creeks Inc., Visalia/Porterville
2. Dee Jasper and Associates, Bakersfield/Porterville
3. Keller and Wegley Consulting Engineers, Visalia
4. Provost and Pritchard Consulting Group, Visalia
5. Roberts Engineering, Porterville

QK, Inc. of Visalia was a part of this active list but as QK has been assigned the role of City Engineer, they were removed from this Master listing. Ordinary work requested of the City Engineer would follow either a proposal or task order format.

Staff has extended several task orders to consulting engineering firms as a result of the master services agreement and these are detailed below for fiscal 2019-2020. Unless the city is put into emergency project status (as was the case with Well 15 and the truck that crashed into the well site), task orders are developed with project budgets prior to presenting a potential task order to council for consideration.

Environmental reviews would be determined by project directives and goals and costs related to these environmental needs would be included with project planning.





## STAFF REPORT

### FISCAL IMPACT

City council approved task orders to the following consultants and in fiscal 2019-2020 the following costs were supported.

Keller and Wegley Consulting Engineers.

- a. Well 15, Contact Time Pipeline Project. \$3,520. This project was funded by a Prop. 65 Drought Grant awarded through Integrated Regional Water Management program and by Self Help Enterprises Sustainable Communities funding. The project was completed in 2020.
- b. Well 14 DBCP Mitigation and New Production Well Projects. \$14,437. These projects are funded by a Prop. 1 Drinking Water Planning Grant. The well project was completed in 2019 and the DBCP project will be completed in the first quarter of 2021.
- c. Regional Water Treatment Facility Study. \$8,604. This project is funded by Prop. 1 Disadvantaged Community Integrated Regional Water Management Involvement Program and is expected to be completed by June 2021.
- d. Required monthly water system testing, review and reporting. \$9,038. Water system testing includes quarterly total organic and volatile organic compounds and haloacidic acids and total trihalomethane testing and associated quarterly reporting. Assembly of annual consumer confidence report is also included. All water system associated tasks are funded by water enterprise fund.

Provost and Pritchard Consulting Group.

- a. Wastewater facility and Lindsay Olive Growers groundwater monitoring and reporting. \$15,247. Groundwater monitoring includes semiannual site visit and collections of monitoring well samples and to verify depth to groundwater. Water analysis consists primarily of monitoring and tracking of chloride levels within the monitoring well network. Semiannual reports are filed with State Regional Water Boards. All monitoring associated costs are funded by wastewater enterprise funds.

If approved by Council, each consultant will execute their respective Master Engineering Services Agreement and will also authorize the City Manager to execute the agreements on the cities behalf.

### ATTACHMENTS

- Master Engineering Services Agreement template

## **Master Engineering Services Agreement**

### **MASTER ENGINEERING SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into as of the 23RD day of FEBRUARY, 2021, by and between the CITY OF LINDSAY, a municipal corporation, hereinafter referred to as CITY, and \_\_\_\_\_, hereinafter referred to as CONSULTING ENGINEER (CE), and based upon the exchange of mutual promises hereinafter contained, the parties agree as follows:

1. The CITY hereby retains \_\_\_\_\_ as a CE as identified with this Master Agreement for the City of Lindsay. No compensation shall be paid to \_\_\_\_\_ for services as a CE. Services and compensation shall be identified in the form of a separate Task Order.
2. This Master Agreement may be terminated by either party upon thirty (30) days written notice to the other. The term of this Master Agreement shall begin on 23RD day of FEBRUARY, 2021, and extend through 23RD day of FEBRUARY, 2023. Contract extensions may be granted as specified in Section 15 of this agreement.
3. The CITY shall pay CE for their services based on a separate Assigned Task Order. Payments shall be based on a 'Not to Exceed' cost estimate for performance of the identified task, unless the CITY agrees in advance that the task order is not amenable to a 'Not to Exceed' estimate and the work will be done on a time and material basis. All such costs and expenses to be reimbursed by CITY shall be billed monthly and paid by CITY in due course after receipt of billing.
4. The CE will provide all reasonable and necessary facilities equipment, books, supplies, secretarial services, insurance policies and other property or services necessary to carry out and provide the required services pursuant to this Master Agreement and any and all potential Assigned Task Order.
5. It is understood that this Master Agreement provides for the services by the CE for the CITY on a contractual basis and not upon an employer/employee basis.
6. From time to time, the responsible party named in this Master Agreement as the CE may designate other licensed professionals within the company to act in his place or stead in matters relating to affairs of the CITY.
7. It is understood that in the interest of the CITY, CE shall maintain all necessary licenses and certifications in order continue to provide the requested services.
8. The CE shall take care when performing work for private clients within the City of Lindsay's city limits and will not perform work for clients that, in the future, could create conflicts of interest between the CITY and such clients with regard to potential Assigned Task Orders. Any projects within the city limits currently being performed by CE that were started prior to the date of this agreement shall be identified and disclosed by CE prior to execution of this Agreement. All such projects shall be completed by CE as soon as practical. In no event shall CE perform services on behalf of the CITY on, or related to, any such projects.
9. The standard of care for all engineering and related services performed or furnished by CE under this Master Agreement or potential Assigned Task Orders shall be the care and skill

ordinarily used by members of Engineer's profession practicing as CE under similar circumstances.

10. CE shall be responsible for the technical accuracy of their services and documents resulting therefrom, and CITY shall not be responsible for discovering deficiencies therein. CE shall correct such deficiencies without additional compensation except to the extent such action is directly attributable to deficiencies in CITY furnished information.

11. All documents, records and specifications prepared by CE for the CITY shall be property of the CITY.

12. CE shall maintain the following insurance:

Workers' Compensation	As required by law
Errors and Omissions	\$2,000,000 per occurrence
General Liability	\$2,000,000 per occurrence \$4,000,000 aggregate
Automobile	\$2,000,000 each accident

13. Neither CITY nor CE may assign, sublet, or transfer any rights under or interest in this Master Agreement without the written consent of the other, except to the extent that any assignment, subletting, or transfer is mandated or restricted by law. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Master Agreement.

14. To the fullest extent permitted by law, CE shall indemnify and hold harmless CITY, CITY'S officers, agents, and employees from and against any and all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of CE or CE's officers, directors, partners, employees, agents, and CE's consultants in the performance and furnishing of CE's services under this Master Agreement or Assigned Task Orders. To the fullest extent permitted by law, CITY shall indemnify and hold harmless CE, CE's officers, directors, partners, agents, and employees from and against any and all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) caused solely by the negligent acts or omissions of CITY or CITY'S officers, agents, and employees with respect to this Master Agreement or Assigned Task Orders.

15. The City Manager and Director of City Services shall annually review or evaluate CE performance or desire of the CE to continue services provided under this Master Agreement. Upon satisfactory review or evaluation, the CITY and CE may extend this Master Agreement for an additional two-year contract, up to a four-year maximum extension if said conditions are satisfactory to both parties.

This Master Agreement is entered into as of the date first mentioned above.

CITY OF LINDSAY  
A Municipal Corporation

Attest

City Manager

\_\_\_\_\_  
Mayra Espinoza-Martinez, City Clerk

\_\_\_\_\_  
Joseph Tanner

\_\_\_\_\_  
(Company)

By \_\_\_\_\_  
Principal



## STAFF REPORT

TO: Lindsay City Council  
FROM: Mayra Espinoza-Martinez, City Clerk  
DEPARTMENT: City Manager  
ITEM NO.: 9.1  
MEETING DATE: February 23, 2021

### **ACTION & RECOMMENDATION**

Consider Approval of Application for Funding from the 2020 CDBG Program and Business Guidelines for Business Assistance Payment Program.

### **BACKGROUND | ANALYSIS**

I.

The City previously proposed to apply for CDBG-CV-2 & 3 funds to provide a Subsistence Payment Program to income eligible households in need of rent/mortgage and/or utility assistance. Recent changes by the State Housing and Community Development Department, requires the removal of rental assistance from the program to ensure no overlap with the State Emergency Rental Assistance Program (ERAP). As a result, we are adjusting the application to provide a Subsistence Payment Program to income eligible households in need of mortgage and/or utility assistance and Economic Development (Business Assistance) for local businesses with the ability to meet job retention or creation requirements. Resolution No. 21-03 is attached for your consideration, which approves submittal of a 2020 CDBG-CV 2 & 3 Program application for up to \$442,657 as follows:

Public Service - Subsistence Payments	\$309,860
Economic Development - Business Assistance	\$132,797
General Administration (up to 13% of activity funds awarded)	
TOTAL:	\$442,657

CDBG Program regulations require that the City conduct a public hearing on all CDBG-related matters to provide for and encourage citizen participation, particularly by low and moderate income persons who reside in areas in which CDBG funds are used. A public notice was published in the January 5, 2021, issue of the Porterville Recorder and posted in at regular locations throughout the City notifying the public of this public hearing. Therefore, the City held a public hearing on January 26, 2021 that invited comments from the public on the City's proposed submittal of a 2020 CDBG Coronavirus Response



## STAFF REPORT

Round 2 & 3 (CDBG-CV2&3) Grant application and to make their comments known on the proposed activities.

Applicants can apply for a total of three (3) Activities, not to exceed the predefined allocation, of \$442,657 under rounds two and three of the NOFA. All activities funded under this NOFA will have a 24-month expenditure period. All Applicants must show a relationship between the need for services and COVID-19 impacts and will be required to complete documentation indicating no Duplication of benefits (DOB) at the time of application, as well as throughout the expenditure period.

CDBG-CV 2 & 3 NOFA provides funding ONLY for the following activities: Assistance to businesses and microenterprises impact by COVID-19 stay-at-home orders and shut-downs, Public Service related to COVID-19 support, Facility improvements related to COVID-19 healthcare and homeless housing needs, Acquisition of real property to be used for the treatment or recovery of infectious diseases in response to COVID-19. Funds are provided as non-competitive, and provided as an allocation to non-entitlement jurisdictions. The City of Lindsay's allocation under the CDBG-CV 2 & 3 NOFA is \$442,657 which included administrative funds.

### II.

The State CDBG Program also requires guidelines for the Business Assistance Payment Program be adopted by the City Council. Guidelines are to identify the method by which applications will be taken and processed, as well as, identify how eligibility is determined, what documents are required to determine eligibility, what forms of assistance will be provided, the limit of that assistance, fair marketing strategies and recordkeeping requirements.

The Business Assistance Program guidelines identifies the following:

1. Application will be processed on a first come first served basis.
2. Efforts for nondiscrimination and inclusion.
3. Outreach and Marketing.
4. A business must meet ALL of the following criteria to be eligible to apply:
  - a. Must be a private, for profit business. \*Independent Contractors are not eligible for this program.
  - b. Business and/or any owner may not be suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal transactions.



## STAFF REPORT

- c. Businesses must have less than 15 FTE (full-time equivalent employees.)
  - d. The business must have a physical storefront establishment within Lindsay's city limits.
  - e. Businesses must have a current Lindsay business license or bring current as a result of assistance.
  - f. The business must have experienced a negative impact due to COVID-19, by certifying that the business has experienced at least a 25% reduction in revenue since March 1, 2020 and that grant proceeds will be used for allowable expenses under the Federal CDBG-CV Act guidelines. Applicant business cannot have any unremedied City Code violations.
  - g. No national chains. National chains are defined as franchises/for-profit corporations; except in the case where the franchisee or brand has a Lindsay-based owner.
  - h. Operating as a business since January 2020.
  - i. Business may NOT be delinquent in State and/or Federal licensing and filings.
5. If CDBG-CV funds are awarded to a business, the business must meet the following requirement:
- a. Business will create/retain at least one full-time or full-time equivalent (40 hours/week) low or moderate-income permanent job (LMI Job) within 12 months. Moderate-income means less than or equal to 80% of the Area Median Income (AMI). See Section 4 of the application for income and details on how to meet the HUD National Objective for jobs.
  - b. If business is retaining LMI job(s) – business must demonstrate clear objective evidence.
  - c. that permanent LMI job(s) would be lost without CDBG-CV assistance.
6. Loan will be forgiven over a two-year period as the business meets the required LMI job creation/retention requirement as outlined in the written agreement.
7. A maximum of \$35,000 will be provided for Mortgage/Rent, Utilities (electric, gas, water, sewer, trash and broadband), Payroll and other operating expenses.
8. Applicant may not have received other assistance for the same purpose for any other source.
9. Reporting and Invoicing requirements.



## **STAFF REPORT**

### **FISCAL IMPACT**

The cost for preparation of the CDBG application by Self-Help Enterprises is \$2,500.

### **ATTACHMENTS**

- Resolution No. 21-03
- Resolution No. 21-04
- Lindsay CDBG Coronavirus Aid Small Business Relief Stabilization Program Guidelines





## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

---

**NUMBER** 21-03

**TITLE** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY APPROVING AN APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE 2020 COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM – CORONAVIRUS RESPONSE ROUND 2 & 3 (CDBG2&3) NOFA DATED DECEMBER 18, 2020

**MEETING** At a regularly scheduled meeting of the City of Lindsay City Council held on February 23, 2021 at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA 93247

**THE CITY COUNCIL OF THE CITY OF LINDSAY DOES HEREBY RESOLVE AS  
FOLLOWS:**

**SECTION 1.** The City Council has reviewed and hereby approves the submission to the State of California of one or more application(s) in the aggregate amount, not to exceed, of \$442,657 for the following CDBG-CV 2 & 3 activities, pursuant to the December 2020 CDBG-CV 2 & 3NOFA:

Public Service - Subsistence Payments	\$309,860
---------------------------------------	-----------

Economic Development – Business Assistance	\$132,797
--	-----------

**SECTION 2.** The City hereby approves the use of Program Income in an amount not to exceed \$0 for the CDBG Coronavirus response activities described in Section 1.

**SECTION 3.** The City acknowledges compliance with all state and federal public participation requirements in the development of its application(s).

**SECTION 4.** The City hereby authorizes and directs the City Manager, or designee, to execute and deliver all applications and act on the City's behalf in all matters pertaining to all such applications.

**SECTION 5.** If an application is approved, the City Manager, or designee, is authorized to enter into, execute and deliver the grant agreement (i.e., Standard Agreement) and any and all subsequent amendments thereto with the State of California for the purposes of the grant.

RESOLUTION NO. 21-03

Page 1 of 2



## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

---

SECTION 6. If an application is approved, the City Manager, or designee, is authorized to sign and submit Funds Requests and all required reporting forms and other documentation as may be required by the State of California from time to time in connection with the grant.

**PASSED AND ADOPTED** by the City Council of the City of Lindsay as follows:

MEETING DATE	February 23, 2021
MOTION	
SECOND MOTION	
AYES	
ABSENT	
ABSTAIN	
NAYS	

CERTIFICATION OF THE FOREGOING RESOLUTION AS FULL, TRUE, PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF LINDSAY AS DETAILED.

---

MAYRA ESPINOZA-MARTINEZ  
CITY CLERK

---

RAMONA CAUDILLO  
MAYOR



## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

---

**NUMBER** 21-04

**TITLE** A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY  
APPROVING THE COMMUNITY DEVELOPMENT BLOCK GRANT  
CORONAVIRUS AID SMALL BUSINESS RELIEF STABILIZATION  
PROGRAM GUIDELINES

**MEETING** At a regularly scheduled meeting of the City of Lindsay City Council held on  
February 23, 2021 at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA 93247

**WHEREAS**, the City of Lindsay, a political subdivision of the State of California, has established Program Guidelines which govern the administration of its CDBG CV Business Assistance Program; and

**WHEREAS**, the City desires to adopt the Guidelines for the Business Assistance Program to comply with HCD requirements of the CDBG Program; and

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LINDSAY DOES  
HEREBY RESOLVE AS FOLLOWS:**

SECTION 1. The City Council has reviewed and hereby approves the Guidelines for the Business Assistance Program.



## A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

---

**PASSED AND ADOPTED** by the City Council of the City of Lindsay as follows:

MEETING DATE	February 23, 2021
MOTION	
SECOND MOTION	
AYES	
ABSENT	
ABSTAIN	
NAYS	

CERTIFICATION OF THE FOREGOING RESOLUTION AS FULL, TRUE, PASSED AND  
ADOPTED BY THE CITY COUNCIL OF THE CITY OF LINDSAY AS DETAILED.

---

MAYRA ESPINOZA-MARTINEZ  
CITY CLERK

---

RAMONA CAUDILLO  
MAYOR



## **Lindsay CDBG-CV**

# **COMMUNITY DEVELOPMENT BLOCK GRANT CORONAVIRUS AID SMALL BUSINESS RELIEF STABILIZATION PROGRAM GUIDELINES & APPLICATION**

**Funding is limited. Awards will be on a first-come, first-eligible basis**

## **PROGRAM GUIDELINES**

### **I. Summary**

Community Development Block Grant is a federally funded program under section. City CDBG-CV funds may be used to secure economic opportunities for low-and moderate-income persons. CDBG-CV funds are targeted to business of the City that have the highest adverse impact as a result of the Coronavirus.

### **II. Purpose**

The Lindsay Small Business Stabilization Program (SBSP) is designed to promote economic stability by providing immediate relief in the form of a one-time forgivable loan for essential operating expenses to Lindsay small businesses negatively impacted by COVID-19.

**The goals of this program are:**

- 1. Help small businesses survive the COVID-19 crisis.**
- 2. Retain employment and continue to pay employees.**
- 3. Maintain the provision of goods and services for Lindsay residents.**

### **III. Funding**

The maximum CDBG-CV award will be \$35,000 upon approval and in compliance with CDBG-CV criteria.

### **IV. Eligibility**

A business must meet **ALL** of the following criteria to be eligible to apply:

- Must be a private, for profit business. \*Independent Contractors are not eligible for this program.



- Business and/or any owner may not be suspended, debarred, proposed for debarment, declared ineligible, or voluntarily excluded from participation in federal transactions.
- Businesses must have less than 15 FTE (full-time equivalent employees.)
- The business must have a physical storefront establishment within Lindsay's city limits.
- Businesses must have a current Lindsay business license or bring current as a result of assistance.
- The business must have experienced a negative impact due to COVID-19, by certifying that the business has experienced at least a 25% reduction in revenue since March 1, 2020 and that grant proceeds will be used for allowable expenses under the Federal CDBG-CV Act guidelines Applicant business cannot have any unremedied City Code violations.
- No national chains. National chains are defined as franchises/for-profit corporations; **except in the case where the franchisee or brand has a Lindsay-based owner.**
- Operating **as a business since January 2020.**
- Business may **NOT** be delinquent in State and/or Federal licensing and filings.

If CDBG-CV funds are awarded to a business, the business must meet the following requirement:

- Business will create/retain at least **one full-time or full-time equivalent (40 hours/week) low or moderate-income permanent job (LMI Job) within 12 months.** Moderate-income means less than or equal to 80% of the Area Median Income (AMI). See Section 4 of the application for income and details on how to meet the HUD National Objective for jobs.
- If business is retaining LMI job(s) – business must demonstrate clear objective evidence that permanent LMI job(s) would be lost without CDBG-CV assistance.

## V. Terms

2020 CDBG Income Limits								
Area Median Income	1	2	3	4	5	6	7	8
Very Low Income 30%	14,700	16,800	18,900	20,950	22,650	24,350	26,000	27,700
Low Income 60%	29,400	33,600	37,800	41,940	45,300	48,660	52,020	55,380
Moderate Income 80%	39,150	44,750	50,350	55,900	60,400	64,850	69,350	73,800

Loan will be forgiven over a one-year period as the business meets the required LMI job creation/retention requirement as outlined in the written agreement.

## VI. Eligible Uses (CDBG-CV funds can be used for):

Rent Mortgage  
Utilities  
Payroll  
Other operating expenses

## VII. Ineligible Uses (CDBG-CV funds cannot be used for):

Loan Payments to Small Business Assoc. (SBA)  
Governmental Uses or Expenses  
Political Activities Personal Property Savings



## **VIII. Application Process**

Applicants must complete and submit a funding application to Self-Help Enterprises (SHE). Applications will be reviewed on a first-come, first-eligible served basis. All required supporting documentation **MUST** be submitted with completed application in order to be considered for CDBG-CV funding.

Applicants will be notified of their application's approval or rejection and funding amount, by Self-Help Enterprises staff. Amount of funding awarded to a business will be based on need. Once program funding is exhausted, other qualified applicants will be placed on a waiting list if/when additional funds become available.

### **\*\*REQUIRED DOCUMENTS\*\***

**You will not be able to leave and return to your application. Ensure you have the following documents ready to upload before beginning this form:**

- (1) Business License**
- (2) Proof of Insurance**
- (3) Financial Statement that includes (a) Income Statement, (b) Balance Sheet, (c) Statement of Cash Flows**
- (4) Current signed IRS Tax Return**

**You will also need the following information to fill out the form:  
DUNS number, and Tax ID/EIN**

## **IX. Review Process**

The following priorities will be considered when awarding funds:

- The business provides jobs to low-income individuals.
- The number of jobs that the business sustains during a normal business cycle (pre COVID-19 levels).
- The business demonstrates that it has lost a significant share (50% or more) of revenue due to the COVID-19 pandemic.
- The business demonstrates a strong chance of remaining open post COVID-19.
- The business has operated consistently for two years.
- Duplication of benefits statement
- Ethnicity/race demographics for federal reports
- Documentation of all client expenses
- All eligibility criteria has been met.

## **X. Nondiscrimination and Inclusion**

Title VI of the Civil Rights Act of 1964 requires that, "No person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance." We strongly encourage under-represented and non-English speaking families in your community have a fair chance of receiving assistance. Steps could include:

- Working with services providers that serve primarily race and ethnic minority groups to announce the availability of assistance to hard-to-reach residents



- Allowing non-English speaking residents a fair amount of time to apply and gather the necessary documentation, and providing translation or other language support
- Accessing [COVID-19 racial equity and social justice resources](#).

## **XI. Outreach and Marketing**

All outreach efforts will be done in accordance with state and federal fair lending regulations to assure nondiscriminatory treatment, outreach and access to the Program. No person shall, on the grounds of age, ancestry, color, creed, physical or mental disability or handicap, marital or familial status, medical condition, national origin, race, religion, gender or sexual orientation be excluded, denied benefits or subjected to discrimination under the Program. The Sponsor will ensure that all persons, including those qualified individuals with handicaps, have access to the Program.

The Fair Housing Lender and Accessibility logos will be placed on all outreach materials. Fair housing marketing actions will be based upon a characteristic analysis comparison (census data may be used) of the Program's eligible area compared to the ethnicity of the population served by the Program (includes, separately, all applications given out and those receiving assistance) and an explanation of any underserved segments of the population. This information is used to show that protected classes (age, gender, ethnicity, race, and disability) are not being excluded from the Program. Flyers or other outreach materials, in English and any other language that is the primary language of a significant portion of the area residents, will be widely distributed in the Program-eligible area and will be provided to any local social service agencies. The Program may sponsor homebuyer classes to help educate homebuyers about the home buying process and future responsibilities. Persons who have participated in local homebuyer seminars will be notified about the Program.

The Program Operator will work with local non-profits and other services providers to explain the Program requirements for eligible households. Local non-profits and other service providers will also be encouraged to have their customers participate in the Program.

Section 504 of the Rehabilitation Act of 1973 prohibits the exclusion of an otherwise qualified individual, solely by reason of disability, from participation under any program receiving Federal funds. The Program Sponsor will take appropriate steps to ensure effective communication with disabled housing applicants, residents and members of the public.

## **XII. Required Reports**

### **A. Financial Reports**

CDBG grants must be administered on a reimbursement basis. To request a monthly reimbursement, Subrecipient must submit the following items:

- Invoice
- General ledger of CDBG expenses
- Timesheets
  - *Timesheets must:*
    - Discern between hours charged and not charged to CDBG
    - Approved and signed a supervisor
- Mileage claims if applicable
  - *Mileage claims must:*
    - Indicate employee name, travel dates, departure and destination addresses, and mileage claim amounts.





- Approved and signed by a supervisor
- Travel dates must coincide with CDBG timesheet dates
- CDBG supplies invoices

#### A. Program Reports

Monthly program reports shall include the following items:

- Performance Tracker Report
- Monthly narrative highlighting progress in meeting objectives

Please submit financial and program reports to Mayra Espinoza-Martinez @ [mespinoza@lindsay.ca.us](mailto:mespinoza@lindsay.ca.us) by the 15<sup>th</sup> of each month.

#### B. RECORD KEEPING

1. Client files must contain the following items:
  - a. Intake application
  - b. Current proof of income for ALL household members 18 and older *or* primary client presumed LMI supporting documentation
  - c. Proof of hardship related to COVID-19
  - d. Duplication of benefits statement
  - e. Ethnicity/race demographics for federal reports
  - f. Documentation of all client expenses
  - g. Business assistance use of funds documentation

#### C. Retention Period

All CDBG files must be maintained for a ***minimum of five (5) years*** after the completion of the program, in order to allow access for audit and public examination. The retention period starts when the final expenditure report is submitted. If any litigation, claim, or audit is started before the expiration of the 5- year period, the records must be retained until all litigation, claims or audit findings involving the records have been resolved and final action taken.

**Guidelines and Application are available at: [www.selfhelpenterprises.org](http://www.selfhelpenterprises.org)**

**Complete applications should be submitted to:  
Self-Help Enterprises  
CovidRelief@selfhelpenterprises.org or  
P.O. Box 6520, Visalia, CA 93291**

**Questions should be directed to Ashley Young, Manager, (559) 802-1273 or [ashleyy@selfhelpenterprises.org](mailto:ashleyy@selfhelpenterprises.org)**





## CDBG-CV Small Business Stabilization Loan Application

### 1. BUSINESS INFORMATION

Business Name: \_\_\_\_\_  
Business Owner Full Name: \_\_\_\_\_  
Business Address: \_\_\_\_\_  
City/ State/ Zip: \_\_\_\_\_  
Business Owner Address: \_\_\_\_\_  
City/ State/ Zip: \_\_\_\_\_  
Business Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_  
Website: \_\_\_\_\_ Contact Phone: \_\_\_\_\_  
Type of Business (please list usual activities): \_\_\_\_\_

Are you an Independent Contractor? ☐ Yes ☐ No  
Does the business own or lease the building it occupies? ☐ Yes ☐ No  
Was your business forced to shut down due to COVID-19? ☐ Yes ☐ No  
Is the business veteran owned? ☐ Yes ☐ No  
Is the business minority owned? ☐ Yes ☐ No  
Is the business women owned? ☐ Yes ☐ No

Business License# \_\_\_\_\_ Start Date: \_\_\_\_\_  
Tax ID#/EIN # \_\_\_\_\_ DUNS#: \_\_\_\_\_

*\*The DUNS# is required for all federally funded programs. Obtaining a DUNS number is free. Obtain one by calling 1-866-705-5711 or by applying online at <http://fedgov.dnb.com/webform>. If awarded funds, you must also register your business with SAM.GOV. This is a free service. Please create a user login and follow the steps to register the business with SAM.GOV. **Registration is required.***

**FUNDING REQUEST:** \$ \_\_\_\_\_ (The maximum is \$35,000)

*Grant requests may not be fully funded due to availability and/or the approved grant expenses.)*

**How did you hear about this program:** \_\_\_\_\_

Organizational Structure (check one):

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietorship      | <input type="checkbox"/> Corporation                         |
| <input type="checkbox"/> General Partnership      | <input type="checkbox"/> Limited Liability Company (LLC)     |
| <input type="checkbox"/> Limited Partnership (LP) | <input type="checkbox"/> Limited Liability Partnership (LLP) |
| <input type="checkbox"/> Other: _____             |  |



## 2. ESTIMATED ADVERSE ECONOMIC IMPACT (Pre February 1, 2020 and Post February 1, 2020):

- a. How has your business been impacted by COVID-19? (Example: Sales decline in dollars, walk in traffic, etc.)
- b. Describe what adverse economic effects COVID-19 has had on your business to date.
- c. What is your recovery plan?
- d. Is the owner of the business also an employee of the business?
- e. How many full-time (FT) and part-time (PT) employees did you employ prior to COVID-19? (Pre-February 1, 2020). Owner included if an employee of the business.
- f. How many full-time (FT) and part-time (PT) employees do you currently employ? How has this number changed? (Post February 1, 2020) Owner included if an employee of the business.
- g. Proposed number of full-time (FT) and part-time (PT) positions that will be created or retained with CDBG-CV funds. FT \_\_\_\_ PT \_\_\_\_ (include the owner if an employee of the business)
- h. Will you be ☐ retaining or ☐ creating a Full Time equivalent (FTE) job with these loan funds? (Full time equivalent job is any one employee working 40 hours or multiple employees working a total of 40 hours - the owner can be included in this number if he/she is an employee of the business)
1. Job title(s): \_\_\_\_\_
  2. List special skills or education required for each position. \_\_\_\_\_
  3. Expected time needed to hire (number of days following receipt of funds): \_\_\_\_\_
  4. Hourly Rate: \_\_\_\_\_
  5. Average hours per week per employee: \_\_\_\_\_
  6. How/where will the position be advertised? \_\_\_\_\_
  7. Is this position held by the owner? ☐ Yes ☐ No
  8. Notes you would like to provide for consideration. \_\_\_\_\_



### 3. FINANCIAL INFORMATION

- a. Please list the operating expenses that the CDBG-CV award would pay for and attach verification of costs/expenses, include a description and amount (such as lease, utilities, payroll etc.)
  
  
  
  
  
  
  
  
  
  
- b. Please list other sources of funding for business expenses; including revenues, personal funds, grants and loans applied for and/or received. Include funding source and amount within the year.
  
  
  
  
  
  
  
  
  
  
- c. Have you applied for any other relief funding? If so, what and when?
  
  
  
  
  
  
  
  
  
  
- d. Have you received notification that you are eligible for relief funding? If so, what?
  
  
  
  
  
  
  
  
  
  
- e. Have you received any other relief funding? If so, how much?



#### 4. MEETING THE JOBS REQUIREMENTS

All CDBG-CV-funded activities must create or retain **Low or Moderate Income (LMI) Jobs** - jobs that are held by or made available to low and moderate- income (LMI) persons. HUD defines LMI person whose earnings are less than 80% of the area median income by family household size. ***See Income Limit Chart at bottom of this page.***

The applicant must satisfy the following LMI job objectives of the CDBG-CV program:

Low or Moderate Income (LMI) Job - The business must **create or retain** permanent jobs, at least 51 percent of which (computed on a full-time equivalent basis) will be made available to or held by LIM person.

The following requirements must be met for jobs to be considered created or retained.

1. If a Business **creates jobs**, there must be documentation (Employee Certification Form) indicating that at least 51 percent of the jobs will be held by or made available to, LMI persons.
2. If a Business **retains jobs**, there must be sufficient information documenting that the jobs would have been lost without the CDBG-CV assistance and that one or both of the following applies to at least 51 percent of the jobs:
  - The owner of the business is a LMI person (Employee Certification Form Required at award); or
  - The job is held by a LMI person (Employee Certification Form); or
  - The job can reasonably be expected to turn over within the following two years and steps will be taken to ensure that the job will be filled by or made available to a LMI person.

The following requirements apply for jobs to be considered **available** to or held by LMI persons.

1. Created or retained jobs are only considered **available** to LMI persons when:
  - Special skill that can only be acquired with substantial training or work experience or education beyond high school are not a prerequisite to fill such jobs, or the business agrees to hire unqualified persons and provide training; and
  - The grantee and the assisted business take action to ensure that LMI persons receive first consideration for filling such jobs.

Income Limit Chart:

HUD 80% AMI limits, per household size, for Tulare County, California			
1 person ≤ \$39,150	2 person ≤ \$44,750	3 person ≤ \$50,350	4 person ≤ \$55,900
5 person ≤ \$60,400	6 person ≤ \$64,850	7 person ≤ \$69,350	8 person ≤ \$73,800



## 5. DISCLOSURE ASSURANCES AND SIGNATURES

Applicant agrees that the acceptance of this application does not commit the City to enter into an agreement, to pay any costs incurred in its preparation, to participate in subsequent negotiations, or to contract for the project. Further, the acceptance of this application does not constitute an agreement by the City that any contract will be entered into by the City. The City expressly reserves the right to reject any or all applications or to request more information from the applicant.

The applicant also agrees that the City will only consider funding for an application that has been completed in full, met all eligibility requirements and has attached all supporting documentation. Applicant hereby certifies that all information contained in this document and any attachments is true and correct to the best of the applicant's knowledge.

The City, the Comptroller General of the United States, or any duly authorized representatives, will have access to any books, documents, papers and records that are directly related to the program assistance for the purposes of monitoring, making audits, examination, excerpts, and transcripts. All records supporting the costs will be maintained for a period not less than 5 years following completion of the program agreement period, agreement termination, or default, whichever shall first occur.

No person who is an employee, agent, consultant, officer, appointed official, or elected official of the City of Lindsay who exercises or has exercised any functions or responsibilities with respect to CDBG-CV activities, or is in a position to participate in a decision-making process, or gain inside information with regard to such activities, may obtain a personal or financial interest or benefit, or have interest in any program assistance, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Hiring or retaining a LMI job is a condition of receiving CDBG-CV funding and must be created/retained prior to award of funds. Recipient of funds will be required to report monthly for a one-year period after the job creation/retention has occurred. The Written Agreement will further outline CDBG-CV requirements during the one-year period. A recipient will be required to repay CDBG-CV funds if LMI job creation/retention is not fulfilled within the one-year period.

### I UNDERSTAND AND BY SIGNING, AGREE:

All information I have provided in this application is true and correct to the best of my knowledge. I agree to notify you promptly in writing upon any material change in the information provided herein. You are authorized to make such inquiries, as you deem necessary and appropriate to verify the accuracy of this application.

I also agree to comply with nondiscriminatory employment practices and Affirmative Action Programs under Title VI and Section 112 of the Civil Rights Act of 1964 and applicable provisions of federal statutes and regulations concerning equal employment opportunity laws and civil rights laws, and the provisions of the Americans with Disabilities Act. Grant recipients must give equal consideration to all qualified job applicants and treatment of employees without regard to race, color, religion, sex (including pregnancy, gender identity and sexual orientation) national origin, age (40 or older), disability.

---

Signature · Business Owner

---

Date

---

Signature - Business Owner

---

Date



## STAFF REPORT

TO: Lindsay City Council  
FROM: Joseph M. Tanner, City Manager  
DEPARTMENT: City Manager  
ITEM NO.: 9.2  
MEETING DATE: February 23, 2021

### **ACTION & RECOMMENDATION**

Consider Approval of Agreement between the Lindsay Unified School District (LUSD) and the City of Lindsay for use of the Lindsay Wellness Center Swimming Pool.

### **BACKGROUND | ANALYSIS**

Lindsay Unified School District wishes to use the City of Lindsay's lap swimming pool, for practices for the High School Swim Team and for swimming instruction for Lindsay High School PE learners. The District will not use the therapeutic pool at any time.

CITY shall provide the following services:

1. Open the facility for District use, and lock facility after District use.
2. Designate one person to be the liaison with the District to discuss scheduling, equipment storage and mutual issues with the District. This person will be the Wellness Director.
3. Pay all costs for electricity for the pool use
4. Pay for all maintenance for the pool use. This maintenance includes ensuring that all equipment needed for swimming competitions are operational, including but not limited to starting blocks and all timing equipment.

DISTRICT shall provide:

1. Provide for certified Lifeguards while Lindsay High School PE learners are at the pool for instruction.
2. Have learners and staff pick up after their use of the City Pool.
3. Designate one person to be the liaison with the City to discuss scheduling, equipment storage and mutual issues with the City. This person will be the Dean of Student Affairs at Lindsay High School.
4. Leave timers, flags, kick boards and printers at the pool. The City is not responsible for any lost or stolen items.

### **FISCAL IMPACT**

The LUSD as agreed to the following terms pending School Board approval.

1. Pay for all utility gas costs for heating the pool from January through June of each year



## STAFF REPORT

2. Pay for 75% of all chemical costs for the pool from January through June of each year
3. Pay 50% of the utility gas costs for heating the pool from July through December of each year
4. Pay 50% of all chemical costs for the pool from July through December of each year
5. Total Costs to the District shall not exceed \$50,000.

Revenue generated from this agreement will be deposited into the City's General Fund, Fund 101. The maximum allowable revenue generated will be \$50,000.

Total Revenue Generated Per Year	
2017	\$43,900
2018	\$34,850
2019	\$35,000
2020	\$19,681 *COVID impact

### ATTACHMENTS

- LUSD and City of Lindsay Agreement



**LINDSAY UNIFIED SCHOOL DISTRICT  
AND  
CITY OF LINDSAY**

**LINDSAY WELLNESS CENTER SWIMMING POOL USE AGREEMENT**

**THIS AGREEMENT**, is entered into as of \_\_\_\_\_,  
between the LINDSAY UNIFIED SCHOOL DISTRICT, referred to as DISTRICT, and  
the CITY OF LINDSAY, referred to as CITY, with reference to the following:

- A. Government Code section 53060 and Education Code section 35160 authorize the District to contract with persons who are specially trained and experienced and competent to perform special services.
- B. District wishes to hire CITY as an independent contractor pursuant to the authority of Government Code section 53060 and Education Code section 35160.
- C. Pursuant to Education Code section 45103.1(b)(2), the services contracted are not available within the DISTRICT, cannot be performed satisfactorily by school district employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the school district.

**ACCORDINGLY, IT IS AGREED:**

**1. TERM:** This Agreement shall be effective upon the date of the last signature of the Agreement (Effective Date) and renewed automatically each year on the Effective Date unless otherwise terminated as provided in this Agreement.

**2. SERVICES:** CITY shall provide services as set forth in Exhibit A, entitled "Scope & Cost of Services" which exhibit is made part of this Agreement by reference.

**3. COST OF SERVICES:** For services rendered, CITY shall be paid according to the fee schedule set forth in Exhibit A.

**4. METHOD OF PAYMENT:** CITY shall provide a monthly invoice or upon completion of services to DISTRICT. DISTRICT shall provide and file IRS Form 1099 to report CITY'S calendar year earnings.

**5. COMPLIANCE WITH LAW:** CITY shall provide services in accordance with applicable Federal, State, and local laws, regulations and directives. With respect to CITY'S employees, CITY shall comply with all laws and regulations pertaining to wages and hours, state and federal income tax, unemployment insurance, Social Security, disability insurance, workers' compensation insurance, and discrimination in employment.

**6. RECORDS AND AUDIT:** CITY shall maintain complete and accurate records with respect to the services rendered and the costs incurred under this Agreement. In addition, CITY shall maintain complete and accurate records with respect to any payments to employees or subcontractors. All such records shall be prepared in accordance with generally accepted accounting procedures, shall be clearly identified, and shall be kept readily accessible. Upon request, CITY shall make such records available within Tulare County to the designated public and/or private auditor of DISTRICT and to his agents and representatives, for the purpose of auditing and/or copying such records for a period of five (5) years from the date of final payment under this Agreement.

**7. INDEPENDENT CONTRACTOR STATUS:**

a. This Agreement is entered into by both parties with the express understanding that CITY will perform all services required under this Agreement as an independent contractor. Nothing in this Agreement shall be construed to constitute the CITY or any of its agents, employees or officers as an agent, employee or officer of DISTRICT.

b. CITY agrees to advise everyone it assigns or hires to perform any duty under this agreement that they are not employees of DISTRICT. Subject to any performance criteria contained in this Agreement, CITY shall be solely responsible for determining the means and methods of performing the specified services and DISTRICT shall have no right to control or exercise any supervision over CITY as to how the services will be performed. As CITY is not DISTRICT'S employee, CITY is responsible for paying all required state and federal taxes. In particular, DISTRICT will not:

- i. Withhold FICA (Social Security) from CITY'S payments.
- ii. Make state or federal unemployment insurance contributions on CITY'S behalf.
- iii. Withhold state or federal income tax from payments to CITY.
- iv. Make disability insurance contributions on behalf of CITY.
- v. Obtain unemployment compensation insurance on behalf of CITY.

c. Notwithstanding this independent contractor relationship, DISTRICT shall have the right to monitor and evaluate the performance of CITY to assure compliance with this Agreement.

**8. FINGERPRINTING REQUIREMENTS:**

a. If CITY believes that its employees will have only limited contact with pupils and should therefore be exempted from these requirements;

b. The CITY shall impose the foregoing requirements on any subcontractors or assignees.

## **9. INDEMNIFICATION:**

a. CITY shall hold harmless, defend and indemnify DISTRICT, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including DISTRICT property, arising from, or in connection with, the performance by CITY or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against DISTRICT by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against DISTRICT alleging civil rights violations by CITY under Government Code section 12920 et seq. (California Fair Employment and Housing Act) and any fines or penalties imposed on DISTRICT for CITY'S failure to provide form DE-542, when applicable. This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

b. DISTRICT shall hold harmless, defend and indemnify CITY, its agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, including CITY property, arising from, or in connection with, the performance by DISTRICT or its agents, officers and employees under this Agreement. This indemnification specifically includes any claims that may be made against CITY by any taxing authority asserting that an employer-employee relationship exists by reason of this Agreement, and any claims made against CITY alleging civil rights violations by DISTRICT under Government Code section 12920 et seq. (California Fair Employment and Housing Act). This indemnification obligation shall continue beyond the term of this Agreement as to any acts or omissions occurring under this Agreement or any extension of this Agreement.

## **10. CONFLICT OF INTEREST:**

a. CITY agrees at all times in performance of this Agreement to comply with the law of the State of California regarding conflicts of interests or appearance of conflicts of interest, including, but not limited to Government Code section 1090 et seq., and the Political Reform Act, Government Code section 81000 et seq. and regulations promulgated pursuant thereto by the California Fair Political Practices Commission. The statutes, regulations and laws previously referenced include, but are not limited to, prohibitions against any public officer or employee, including CITY for this purpose, from the making of any decision on behalf of DISTRICT in which such officer, employee or CITY has direct or indirect financial interest. A violation can occur if the public officer, employee or CITY participates in or influences any DISTRICT decision which has the potential to confer any pecuniary benefit on CITY or any business firm in which CITY has an interest, with certain narrow exceptions.

b. CITY agrees that if any facts come to its attention which raise any questions as to the applicability of conflicts of interest laws, it will immediately inform the DISTRICT designated representative and provide all information needed for resolution of this question.

## 11. TERMINATION:

a. The right to terminate this Agreement under this provision may be exercised without prejudice to any other right or remedy to which the terminating party may be entitled at law or under this Agreement.

i. Without Cause: Either party shall have the right to terminate this Agreement without cause by giving thirty (30) days prior written notice of intention to terminate pursuant to this provision, specifying the date of termination.

ii. With Cause:

(1) This Agreement may be terminated by either party should the other party:

(a) be adjudged a bankrupt, or

(b) suffer any judgment which remains unsatisfied for 30 days, and which would substantively impair the ability of the judgment debtor to perform under this Agreement, or

(c) materially breach this Agreement.

(2) For any of the occurrences except item (e), termination may be effected upon written notice by the terminating party specifying the date of the termination.

(3) Upon a material breach, the Agreement may be terminated following the failure of the defaulting party to remedy the breach to the satisfaction of the non-defaulting party within five (5) days of written notice specifying the breach. If the breach is not remedied within that five (5) day period, the non-defaulting party may terminate the agreement on further written notice specifying the date of termination.

(4) If the nature of the breach is such that it cannot be cured within a five (5) day period, the defaulting party may, submit a written proposal within that period which sets forth a specific means to resolve the default. If the non-defaulting party consents to that proposal in writing, which consent shall not be unreasonably withheld, the defaulting party shall immediately embark on its plan to cure. If the default is not cured within the time agreed, the non-defaulting party may terminate upon written notice specifying the date of termination.

b. Effects of Termination: Expiration or termination of this Agreement shall not terminate any obligations to indemnify, to maintain and make available any

records pertaining to the Agreement, to cooperate with any audit, to be subject to offset, or to make any reports of pre-termination contract activities.

c. **Suspension of Performance:** Independent of any right to terminate this Agreement, the authorized representative of DISTRICT for which CITY'S services are to be performed, may immediately suspend performance by CITY, in whole or in part, in response to health, safety or financial emergency, or a failure or refusal by CITY to comply with the provisions of this Agreement, until such time as the cause for suspension is resolved, or a notice of termination becomes effective.

**12. ENTIRE AGREEMENT REPRESENTED:** This Agreement represents the entire agreement between CITY and DISTRICT as to its subject matter and no prior oral or written understanding shall be of any force or effect. No part of this Agreement may be modified without the written consent of both parties.

**13. HEADINGS:** Section headings are provided for organizational purposes only and do not in any manner affect the scope, meaning or intent of the provisions under the headings.

**14. NOTICES:**

a. Except as may be otherwise required by law, any notice to be given shall be written and shall be either personally delivered, sent by first class mail, postage prepaid and addressed as follows:

**DISTRICT:**

Superintendent  
Lindsay Unified School District  
371 E. Hermosa Street  
Lindsay, CA 93247  
**Phone No.:** (559) 562-5111 ext. 5109  
**Fax No.:** (559) 562-4637

**With A Copy To:**

Business Services  
Lindsay Unified School District  
371 E. Hermosa Street  
Lindsay, CA 93247  
**Phone No.:** (559) 562-5111 ext.5115  
**Fax No.:** (559) 562-6145

**CITY:**

City Manager  
City of Lindsay  
PO Box 369  
Lindsay, CA 93247  
**Phone No.:** (559) 562-7102  
**Fax No.:** (559) 562-7100

b. Notice personally delivered is effective when delivered. Notice sent by facsimile transmission is deemed to be received upon successful transmission. Notice sent by first class mail shall be deemed received on the fifth day after the date of mailing. Either party may change the above address or phone or fax number by giving written notice pursuant to this paragraph.

**15. CONSTRUCTION:** This Agreement reflects the contributions of both parties and accordingly the provisions of Civil Code section 1654 shall not apply to address and interpret any uncertainty.

**16. NO THIRD PARTY BENEFICIARIES INTENDED:** Unless specifically set forth, the parties to this Agreement do not intend to provide any other party with any benefit or enforceable legal or equitable right or remedy.

**17. GOVERNING LAW:** This Agreement shall be interpreted and governed under the laws of the State of California without reference to California conflicts of law principles. The parties agree that this Agreement is made and shall be performed in Tulare County, California. CITY waives the removal provisions of California Code of Civil Procedure section 394.

**18. WAIVERS:** The failure of either party to insist on strict compliance with any provision of this Agreement shall not be considered a waiver of any right to do so, whether for that breach or any subsequent breach. The acceptance by either party of either performance or payment shall not be considered to be a waiver of any preceding breach of the Agreement by the other party.

**19. EXHIBITS AND RECITALS:** The Recitals and the Exhibits to this Agreement are fully incorporated into and are integral parts of this Agreement.

**20. CONFLICT WITH LAWS OR REGULATIONS/SEVERABILITY:** This Agreement is subject to all applicable laws and regulations. If any provision of this Agreement is found by any court or other legal authority, or is agreed by the parties, to conflict with any code or regulation governing its subject, the conflicting provision shall be considered null and void. If the effect of nullifying any conflicting provision is such that a material benefit of the Agreement to either party is lost, the Agreement may be terminated at the option of the affected party. In all other cases the remainder of the Agreement shall continue in full force and effect.

**21. FURTHER ASSURANCES:** Each party agrees to execute any additional documents and to perform any further acts which may be reasonably required to effect the purposes of this Agreement.

**22. ASSURANCES OF NON-DISCRIMINATION:** CITY shall not discriminate in employment or in the provision of services on the basis of any characteristic or condition upon which discrimination is prohibited by state or federal law or regulation.

**23. ASSIGNMENT/SUBCONTRACTING:** Unless otherwise provided in this Agreement, DISTRICT is relying on the personal skill, expertise, training and experience of CITY and CITY'S employees and no part of this Agreement may be assigned or subcontracted by CITY without prior written consent of DISTRICT.

**24. DISPUTE RESOLUTION:** If a dispute arises out of or relating to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by non-binding mediation before

resorting to litigation or some other dispute resolution procedure, unless the parties mutually agree otherwise. The mediator shall be mutually selected by the parties, but in case of disagreement, the mediator shall be selected by lot from among two nominations provided by each party. All costs and fees required by the mediator shall be split equally by the parties, otherwise each party shall bear its own costs of mediation. If mediation fails to resolve the dispute within 30 days, either party may pursue litigation to resolve the dispute.

**THE PARTIES**, having read and considered the above provisions, indicate their agreement by their authorized signatures below.

LINDSAY UNIFIED SCHOOL DISTRICT

Date: \_\_\_\_\_

BY \_\_\_\_\_  
Superintendent or Designee,  
Lindsay Unified School District

CITY OF LINDSAY

Date: \_\_\_\_\_

BY \_\_\_\_\_  
City Manager or Designee,  
City of Lindsay

## **EXHIBIT A**

### **SCOPE & COST OF SERVICES**

#### **BACKGROUND:**

Lindsay Unified School District wishes to use the City of Lindsay's lap swimming pool, located at 860 North Sequoia Ave., Lindsay, California 93247 for practices for the High School Swim Team and for swimming instruction for Lindsay High School PE learners. The District will not use the therapeutic pool at any time.

CITY shall provide the following services:

1. Open the facility for District use, and lock facility after District use.
2. Designate one person to be the liaison with the District to discuss scheduling, equipment storage and mutual issues with the District. This person will be the Wellness Director.
3. Pay all costs for electricity for the pool use
4. Pay for all maintenance for the pool use. This maintenance includes ensuring that all equipment needed for swimming competitions are operational, including but not limited to starting blocks and all timing equipment.

DISTRICT shall provide:

1. Provide for certified Lifeguards while Lindsay High School PE learners are at the pool for instruction.
2. Have learners and staff pick up after their use of the City Pool.
3. Designate one person to be the liaison with the City to discuss scheduling, equipment storage and mutual issues with the City. This person will be the Dean of Student Affairs at Lindsay High School.
4. Leave timers, flags, kick boards and printers at the pool. The City is not responsible for any lost or stolen items.
5. Pay for all utility gas costs for heating the pool from January through June of each year
6. Pay for 75% of all chemical costs for the pool from January through June of each year
7. Pay 50% of the utility gas costs for heating the pool from July through December of each year
8. Pay 50% of all chemical costs for the pool from July through December of each year
9. Total Costs to the District shall not exceed \$50,000.

CITY shall invoice the DISTRICT monthly and invoices shall be due upon receipt. Should DISTRICT's paid costs reach fifty thousand dollars (\$50,000.00), DISTRICT shall not be required to make any further payments for the remainder of the contract term, but shall be allowed to continue to receive all benefits stated herein.





## STAFF REPORT

TO: Lindsay City Council  
FROM: Joseph Tanner, City Manager  
DEPARTMENT: City Manager  
ITEM NO.: 10.1  
MEETING DATE: February 23, 2021

### **ACTION & RECOMMENDATION**

Consider Approval of the 2021 City Council Meeting Calendar.

### **BACKGROUND | ANALYSIS**

In the interest of reducing scheduling conflicts and enabling long-term planning for the year 2021, the remaining city council meeting dates are displayed below along with proposed cancellations.

### **CITY COUNCIL MEETING DATES FOR THE REMAINDER OF 2021**

March 9, 2021	August 10, 2021
March 23, 2021	<b>August 24, 2021</b> Proposed Cancellation – Summer Recess
April 13, 2021	September 14, 2021
April 27, 2021	September 8, 2021
May 11, 2021	October 12, 2021
May 25, 2021	October 26, 2021
June 8, 2021	November 9, 2021
June 22, 2021	<b>November 23, 2021</b> Proposed Cancellation – Holiday
July 13, 2021	December 14, 2021
<b>July 27, 2021</b> Proposed Cancellation – Summer Recess	<b>December 28, 2021</b> Proposed Cancellation – Holiday



## **STAFF REPORT**

### **FISCAL IMPACT**

N/A

### **ATTACHMENTS**

N/A