



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 **December 12, 2023**, at **6:00 PM** in person and via webinar. The webinar address for members of the public is <https://zoom.us/j/99279557087>. Those who would like to make a public comment during the public comment portion of the agenda may do so by utilizing the raise hand feature or indicating they would like to make a comment in the chat.

Persons with disabilities who may need assistance should contact the City Clerk prior to the meeting at (559) 562-7102 ext. 8034 or via email at lindsaycityclerk@lindsay.ca.us.

1. CALL TO ORDER

2. PLEDGE

Led by Mayor CERROS.

3. ROLL CALL

4. CITY COUNCIL REORGANIZATION

- 4.1 Selection of Mayor Pro Tem for a One-Year Term Commencing on December 12, 2023 (p. 5)

Presented by Francesca Quintana, City Clerk & Assistant to the City Manager

5. APPROVAL OF AGENDA

6. 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. Under state law, matters presented under public comment cannot be acted upon by the Council at this time.

7. COUNCIL REPORT

8. CITY MANAGER REPORT

9. PRESENTATION ITEM(S)

- 9.1 Lindsay High School Associated Student Body (ASB) Representative Update

Presented by Daisy Andrade-Lemus, Lindsay High School ASB Representative

10. RECOGNITION ITEMS

10.1 Proclamation in Honor of Santa Night (p. 6)

Presented by Mayor Cerros

Presented to Lindsay Police Officer's Association (LPOA)

10.2 Badge Pinning of Corporal Adam Romero

Presented by Chief Rick Carrillo, Director of Public Safety

10.3 Medal of Valor Presentation for Public Safety Officer Bruce Fox

Presented by Chief Rick Carrillo, Director of Public Safety

11. CONSENT CALENDAR

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

11.1 Minutes from November 14, 2023, Regular Meeting (pp. 7 – 11)

11.2 Warrant List for November 06, 2023 through December 03, 2023(pp. 12 – 26)

11.3 Treasurer's Report for November 2023 (p. 27)

11.4 Consider the Minute Order Approval of the City Council Regular Meeting Schedule for January – December 2024 (pp. 28 – 29)

11.5 Consider the Minute Order Approval of New City of Lindsay Alternate Representative to the Tulare County Economic Development Corporation Board of Directors (p. 30)

11.6 Consider the Approval of **Resolution No. 23-47**, A Resolution of the City Council of the City of Lindsay Nominating City of Visalia Council Member Elizabeth Wynn to the Special City Selection Committee for Appointment to the District Governing Board (pp. 31 – 39)

11.7 Consider the Minute Order Approval of Amendments to the City of Lindsay Finance and Accounting Policies and Procedures (pp. 40 – 237)

12. DISCUSSION ITEM(S)

12.1 Discussion Regarding Awarding the Construction Contract for the Olive Bowl/Kaku Park Expansion Revision No. 1 Project and Financial Update (pp. 238 – 242)

Presented by Neyba Amezcua, Director of City Services & Planning and Salvador Guzman, Director of Finance

13. ACTION ITEM(S)

13.1 Consider Approval of **Resolution No. 23-48**, A Resolution of the City Council of the City of Lindsay Declaring the City Manager to Take Actions Necessary to Finance a Portion of the Costs of Improvements to Olive Bowl/Kaku Park (pp. 243 – 247)

Presented by Salvador Guzman, Director of Finance

13.2 Consider the Approval of **Resolution No. 23-49**, A Resolution of the City Council of the City of Lindsay Adopting a Debt Management Policy (pp. 248 – 256)

Presented by Salvador Guzman, Director of Finance

13.3 Consider Extension of Professional Services Agreement to Provide Professional Consulting & Related Services by and Between Retail Strategies LLC and the City of Lindsay (pp. 257 – 272)

Presented by Francesca Quintana, City Clerk & Assistant to the City Manager

13.4 Consider Council Member City Water Ad-Hoc Committee Representative Re-Appointment (pp. 273 – 276)

Item Requested by Mayor Cerros

Presented by Francesca Quintana, City Clerk & Assistant to the City Manager

14. PUBLIC HEARING(S)

14.1 First Reading of **Ordinance No. 614**, An Ordinance of the City Council of the City of Lindsay Adopting a Cannabis Combined Zoning District, Allowing Cannabis Retail Within the Newly Created Boundaries in the Downtown Area, Amending the Lindsay Zoning Map as Adopted by Ordinance No. 437, Amending Section 18.02.010, Enacting Section 18.12.030, and Amending Section 5.28.040 of the Lindsay Municipal Code, Pertaining to Cannabis Retail Dispensaries, Finding that Said Ordinance is Exempt from Review Under the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15060(c)(2), 15061(b)(3), and 15378(b)(2), and Authorization to Waive Full Reading of Said Ordinance and Authorize Reading by Title Only (pp. 277 – 286)

Presented by Araceli Mejia, Assistant City Planner

15. EXECUTIVE (CLOSED) SESSION

15.1 Public Employee Appointment

Pursuant to Cal Gov. Code §54957

Title: Acting City Manager

15.2 Public Employee Performance Evaluation

Pursuant to Cal Gov. Code §54957

Title: City Attorney

16. REQUEST FOR FUTURE ITEMS

Council requests for future agenda items, can be called for by any Councilmember during the ‘Request for Future Items’ section of a regular meeting. Immediately following the request of an item, a vote will be taken on the item. If a majority of the City Council supports further study of the item, then a full staff analysis will be prepared within a reasonable time as determined by the City Manager unless otherwise directed by a majority of the City Council. Discussion shall be limited to whether an item should be added to an agenda, not the merit of the item.

17. 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. 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 City Clerk at (559) 562-7102 x 8034. 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.

*The next Regular Meeting of the Lindsay City Council is scheduled to be held on **January 09, 2024.***



STAFF REPORT

TO: Lindsay City Council
FROM: Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: City Manager
ITEM NO.: 4.1
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Selection of Mayor Pro Tem for a One-Year Term Commencing on December 12, 2023.

Staff recommends that the Council make the appointment of a Mayor Pro Tem at the December 12, 2023, regular meeting.

BACKGROUND | ANALYSIS

Per Section 2.2 of the City Council Handbook approved on January 11, 2022, by Resolution 21-50:

“The Council shall appoint from among their members a Mayor Pro Tem. Nominations shall be recorded by the City Clerk. The City Clerk will confirm acceptance of each nomination and put each nominee’s name to a vote in the order of the nominations received. The Mayor Pro Tem shall serve a one-year term and fulfill the duties of the Mayor in their absence.”

Per Section 3.2 of the City Council handbook approved on January 11, 2022, by Resolution 21-50:

“The reorganization of the Council shall occur at the first meeting in December, or as soon thereafter.”

Per Section 3.13 of the Charter of the City of Lindsay:

“The City Council shall elect from among its members a Mayor Pro Tern who shall serve at the pleasure of the City Council. The Mayor Pro Tern shall act as Mayor during the Mayor's absence or disability.”

FISCAL IMPACT

No fiscal impact associated with this action.

ATTACHMENTS

None.



City of Lindsay

Proclamation

WHEREAS, 2023 marks the 31st anniversary of the Lindsay Police Officer's Association Santa Night; and

WHEREAS, a Toy Drive where toys are distributed to the local children of Lindsay is held at Santa Night every year; and

WHEREAS, the 2023 Santa Night and Toy Drive was held on December 8th, 2023, at the Lindsay Department of Public Safety; and

WHEREAS, the 2023 Toy Drive was made possible by contributions from the LPOA, Lindsay Rib Cook-Off Committee, Spirit and the Bride Kingdom Coalition, Lindsay High School Learners, Lindsay Sikh Community, Lindsay Chamber of Commerce, Lindsay Fire, Foothill Rotary of Lindsay, Jason and Sandy Anderson, Anderson Family Business, E&E Industries, Eric and Laurie Williams, Porterville Quilters, Lindsay's Finest Car Club, Rich and Lynette Stover, Alex and Maria Mejia, Ana Carretero, Virginia Loya, Cheryl Cook, and Paula McGee; and

WHEREAS, the goal of every Santa Night is to bring joy, comfort, and happiness to the children of Lindsay.

NOW, THEREFORE, BE IT RESOLVED, that I, Hipolito A Cerros, Mayor of the City of Lindsay, do hereby thank every individual and group that made Santa Night possible, and urge all residents to join in activities that will benefit the Lindsay community.

IN WITNESS WHEREOF, I hereby set my hand and caused the Seal of the City of Lindsay to be affixed this 12th Day of December of 2023.

LINDSAY CITY COUNCIL

Hipolito Angel Cerros, Mayor



LINDSAY CITY COUNCIL REGULAR MEETING AGENDA

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1. CALL TO ORDER

2. PLEDGE

Led by Mayor Pro Tem FLORES.

3. ROLL CALL

Present	Mayor Cerros Mayor Pro Tem Flores Council Member Sanchez Council Member Serna ¹ Council Member Caudillo
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4. APPROVAL OF AGENDA

Motion to Approve Agenda							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
FLORES	CERROS	(4-0)	AYE	AYE	ABSENT	AYE	AYE

5. PUBLIC COMMENT

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¹ Absent with Notice.

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. Under state law, matters presented under public comment cannot be acted upon by the Council at this time.

- In person public comment from Lindsay High School Civics Club. Club members asked the Mayor what he does about governing water quality. Club questioned what citizens can do to improve water quality. The club questioned how dilution improve water quality.

6. COUNCIL REPORT

- Council Member SANCHEZ attended the Breast Cancer Bingo Event, it was a very nice event and there were many attendees. Thanked Lt.Heinks, Officer Garcia, and Volunteers for responding to the fire near her home last week, proved that its great to have community partners during instances like this.
- Council Member SERNA attended many great events, thanked Lindsay Kiwanis for the Night Out where bikes were given out, it was a great community event for families. Thanked Sam with LUSC, for a great conversation regarding soccer and upcoming tournaments. Health Fair was a great event, thanked Nave's for offering car seat safety. Rib Cook Off was a great event, Veterans Day Parade was also a great event. Congratulated Lindsay High School Girls Cross Country for winning.
- Mayor Pro Tem FLORES attended the Rib Cook-Off where she reconnected with old friends.
- Mayor CERROS attended the Resource Fair and felt it was a great event and great opportunity for the public to learn about critical items/resources available in the community. Shared that the City of Lindsay's booth's ribs cooked by Joseph Avina were delicious. Attended the Breast Cancer Bingo event and thanked DIRECTOR OF PUBLIC SAFETY and his staff for making the event possible. Congratulated Officer Frievalt. Shared that the first ever State of the City was a great event and that he is very proud of the work that has been done. Thanked DIRECTOR OF RECREATION for creating and sending out the City Newsletter. Thanked City Manager for fostering a positive relationship with the press and Lindsay.

7. CITY MANAGER REPORT

- CITY MANAGER thanked Council for their kind words as well as for recognizing Staff for all of their hardwork. Thanked all who participated in the Rib Cook-Off. Shared that the City Newsletter has gone out to the entire community. Shared that the water pressure might have fluctuated due to the Canal being empty for repairs. Shared that Well 15 went down for a few hours, however it was quickly back up and running. A new software will be installed at the Wellness Center, making it easier to reserve arbor spaces and track memberships. City Staff is working diligently on the Olive Bowl/Kaku Park Project and the bid has gone down to \$10.1 million due to some plan modifications. \$2 million is still needed to fund the Olive Bowl/Kaku Park Project and the City will be seeking financing for this.

8. RECOGNITION ITEMS

8.1 Proclamation in Honor of Native American Heritage Month (p. 4)

Presented by Mayor Cerros

8.2 30 Years of Service Award

Presented by Neyba Amezcua, Director of City Services & Planning

Presented to Carmen Wilson, Administrative Secretary

9. CONSENT CALENDAR

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

- 9.1 Minutes from October 24, 2023, Regular Meeting (pp. 5 – 9)
- 9.2 Warrant List for October 16, 2023 through November 05, 2023 (pp. 10 – 19)
- 9.3 Treasurer’s Report for October 2023 (p. 20)
- 9.4 Second Reading of **Ordinance No. 613** An Ordinance of the City Council of the City of Lindsay Approving a Development Agreement Between the City of Lindsay and NFDI LLC, a Nevada Limited Liability Company, and Alta Vista Holdings, LLC, a California Limited Liability Company (Collectively “Developer”), Governing the Planned Unit Development (PUD) No. 23-01, O’Hara’s Ranch Subdivision and Authorization to Waive Full Reading of Said Ordinance and Authorize Reading by Title Only (pp. 21 – 55)
- 9.5 Consider the Approval of **Resolution No. 23-43**, A Resolution of the City Council of the City of Lindsay Approving and Accepting the 2023-2024 California Department of Forestry and Fire Protections (CAL-FIRE) Cooperative Fire Protection Grant Agreement (7GF23057) in the Amount of \$9,994.25, as Part of the Volunteer Fire Capacity Project (pp. 56 – 71)
- 9.6 Consider Minute Order Acceptance of the Water Main Replacement Project: Lafayette Avenue and Sycamore Avenue Project as Complete and Grant City Staff Authorization to File a Notice of Completion with the County of Tulare Recorder (pp. 72 – 74)
- 9.7 Consider the Acceptance of Proposals Received for the Water Treatment Plant – Bank D: Media Change-Out Project Revision No. 1 Request for Proposals (RFPs) and Award Contract to ERS Industrial Services Inc. (pp. 75 – 78)
- 9.8 Consider the Approval of **Resolution No. 23-44**, A Resolution of the City Council of the City of Lindsay Superseding Resolution No. 23-35 to Clarify Language Regarding Authorizing the Delegation of Authority to Make Decision on Applications for Disability Retirement (pp. 79 – 84)

Motion to Approve Consent Calendar							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
CERROS	SANCHEZ	(4-0)	AYE	AYE	ABSENT	AYE	AYE

10. PUBLIC HEARING(S)

- 10.1 City of Lindsay Urban Water Management Plan and Water Shortage Contingency Plan (pp. 85 – 313)

A. Consider the Approval of **Resolution No. 23-45**, A Resolution of the City Council of the City of Lindsay Adopting the 2020 Urban Water Management Plan, A Summary of City Policies and Procedures Addressing Water Supply, Demand, and Conservation Required by the State Department of Water Resources and Determining that the Actions Authorized by this Resolution are Exempt from the California Environmental Quality Act (CEQA) Pursuant to California Water Code Section 10652

- Mayor opened the public hearing at 6:49 PM.
- Receiving no public comment, Mayor closed the public hearing at 6:50 PM.

Motion to Approve Item 10.1A							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
CERROS	SANCHEZ	(4-0)	AYE	AYE	ABSENT	AYE	AYE

B. Consider the Approval of **Resolution No. 23-46**, A Resolution of the City Council of the City of Lindsay Adopting the 2020 Water Shortage Contingency Plan Included in the Urban Water Management Plan to be Submitted to the California Department of Water Resources

- Mayor opened the public hearing at 6:51 PM.
- Receiving no public comment, Mayor closed the public hearing at 6:52 PM.

Motion to Approve Item 10.1B							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
CERROS	SERNA	(4-0)	AYE	AYE	ABSENT	AYE	AYE

Presented by Neyba Amezcua, Director of City Services & Planning

11. ACTION ITEMS

11.1 Consider Approval of Public Street Closures on Elmwood Avenue from Hermosa south to Honolulu Street, Honolulu Street from Elmwood Avenue East to Gale Hill Avenue, and Gale Hill Avenue from Honolulu Street North to Samoa Avenue for the Annual Christmas Parade on December 08, 2023, and Honolulu Street fronting City Hall for the Christmas Lighting Festival on November 30, 2023 (pp. 314 – 316)

Presented by Chief Rick Carrillo, Director of Public Safety

Motion to Approve Item 11.1							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
CERROS	SANCHEZ	(4-0)	AYE	AYE	ABSENT	AYE	AYE

12. REQUEST FOR FUTURE ITEMS

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- Mayor adjourned the meeting at 7:08 PM.

Check#	Fund	Date	Vendor #	Vendor Name	Description	Amount
24785						\$919.71
	101 - GENERAL FUND	11/09/23	2873	ADVANTAGE ANSWERING	11/1/23-11/30/23	183.94
	101 - GENERAL FUND	11/09/23	2873	ADVANTAGE ANSWERING	11/1/23-11/30/23	183.94
	552 - WATER	11/09/23	2873	ADVANTAGE ANSWERING	11/1/23-11/30/23	183.94
	553 - SEWER	11/09/23	2873	ADVANTAGE ANSWERING	11/1/23-11/30/23	183.94
	554 - REFUSE	11/09/23	2873	ADVANTAGE ANSWERING	11/1/23-11/30/23	183.95
24786						\$1,944.00
	101 - GENERAL FUND	11/09/23	6504	ADVENTIST HEALTH TO	SEPTEMBER TOXICOLOG	1,944.00
24787						\$120,569.25
	101 - GENERAL FUND	11/09/23	7096	AEP CALIFORNIA LLC	RADIO CONTROL,SPEAK	120,569.25
24788						\$69.79
	101 - GENERAL FUND	11/09/23	007	AG IRRIGATION SALES	POPOP SPRAY SPRINKL	69.79
24789						\$273.96
	101 - GENERAL FUND	11/09/23	1858	ALL PRO FIRE AND SA	P.S.-DRY CHEM. SVC	273.96
24790						\$24,181.65
	101 - GENERAL FUND	11/09/23	431	ALLSTAR FIRE EQUIPM	HARNESSEZ-SCAPE BE	24,181.65
24791						\$956.24
	101 - GENERAL FUND	11/09/23	6600	AMERICAN HERITAGE L	NOV. ACCIDENT PLAN	956.24
24792						\$225.00
	400 - WELLNESS CENTER	11/09/23	6950	ANA CARRETERO	OCT. ZUMBA CLASSES	225.00
24793						\$47.50
	101 - GENERAL FUND	11/09/23	5457	AUTO ZONE COMMERCIA	PROELITE CAR WASH	47.50
24794						\$4,398.75
	552 - WATER	11/09/23	051	BSK	CRYPTOSPORIDIUM,BAC	2,617.50
	553 - SEWER	11/09/23	051	BSK	WASTE WATER TESTING	810.00
	556 - VITA-PAKT	11/09/23	051	BSK	VITA-PAKT WASTE WAT	971.25
24795						\$2,250.00
	101 - GENERAL FUND	11/09/23	6689	BUILDING MAINTENANC	OCTOBER CLEANING SV	321.42
	101 - GENERAL FUND	11/09/23	6689	BUILDING MAINTENANC	OCTOBER CLEANING SV	321.43
	101 - GENERAL FUND	11/09/23	6689	BUILDING MAINTENANC	OCTOBER CLEANING SV	321.43
	101 - GENERAL FUND	11/09/23	6689	BUILDING MAINTENANC	OCTOBER CLEANING SV	321.43
	552 - WATER	11/09/23	6689	BUILDING MAINTENANC	OCTOBER CLEANING SV	321.43
	553 - SEWER	11/09/23	6689	BUILDING MAINTENANC	OCTOBER CLEANING SV	321.43
	554 - REFUSE	11/09/23	6689	BUILDING MAINTENANC	OCTOBER CLEANING SV	321.43
24796						\$363.00
	101 - GENERAL FUND	11/09/23	5013	BUZZ KILL PEST CONT	157 N. MIRAGE	33.00
	101 - GENERAL FUND	11/09/23	5013	BUZZ KILL PEST CONT	911 N PARKSIDE	27.00
	101 - GENERAL FUND	11/09/23	5013	BUZZ KILL PEST CONT	174 SWEET BRIER	34.00
	101 - GENERAL FUND	11/09/23	5013	BUZZ KILL PEST CONT	801 ELMWOOD	25.00
	400 - WELLNESS CENTER	11/09/23	5013	BUZZ KILL PEST CONT	W.C. 860 SEQUOIA	87.00
	552 - WATER	11/09/23	5013	BUZZ KILL PEST CONT	729 W. HONOLULU	28.00
	553 - SEWER	11/09/23	5013	BUZZ KILL PEST CONT	23611 RD 196 #CL236	33.00
	886 - SAMOA	11/09/23	5013	BUZZ KILL PEST CONT	SAMOA TOWN HOMES	43.00
	887 - SWEETBRIER TOWNHOUSES	11/09/23	5013	BUZZ KILL PEST CONT	HERMOSA TOWN HOMES	53.00
24797						\$176.58
	101 - GENERAL FUND	11/09/23	3056	CALIFORNIA TURF EQU	THROTTLE CONTROL CA	176.58
24798						\$958.62
	101 - GENERAL FUND	11/09/23	076	CENTRAL VALLEY BUSI	CHIEF'S BUSINESS CA	132.43
	101 - GENERAL FUND	11/09/23	076	CENTRAL VALLEY BUSI	PS-ENVELOPES	197.45
	101 - GENERAL FUND	11/09/23	076	CENTRAL VALLEY BUSI	PS-NOTICE TO APPEAR	628.74
24799						\$4,800.00
	261 - GAS TAX FUND	11/09/23	1702	SCA OF CA, LLC	OCT. STREET SWEEPIN	4,800.00
24800						\$138.78
	400 - WELLNESS CENTER	11/09/23	5832	CINTAS CORPORATION	CLEANING CHEM.,PAPE	138.78
24801						\$316.00
	101 - GENERAL FUND	11/09/23	279	CITY OF PORTERVILLE	SEP. ANIMAL SERVICE	316.00
24802						\$19,999.99
	400 - WELLNESS CENTER	11/09/23	6963	CIVICPLUS LLC	W.C. ANNUAL SOFTWARE	19,999.99

24803						\$1,561.00
	400 - WELLNESS CENTER	11/09/23	6090	CLEAN CUT LANDSCAPE	WC-BROKEN MAIN LINE	409.00
	888 - PARKSIDE	11/09/23	6090	CLEAN CUT LANDSCAPE	BROKEN LATERAL LINE	788.00
	891 - PELOUS RANCH	11/09/23	6090	CLEAN CUT LANDSCAPE	REPLACE POPUP NOZZL	364.00
24804						\$485.06
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	HR-#53249 OCTOBER	18.00
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	CM-#53249 OCTOBER	10.50
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	FD-#53249 OCTOBER	37.50
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	#156018-LATE FEE	0.63
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	#55962 SEP. LATE FE	2.22
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	#55962-LATE FEE	2.21
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	PS-#55962 OCTOBER	156.00
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	PS-#55962 SEPTERMBE	154.50
	101 - GENERAL FUND	11/09/23	102	CULLIGAN	#156018-150 N MIRAG	25.50
	400 - WELLNESS CENTER	11/09/23	102	CULLIGAN	WC-#178442 OCTOBER	31.25
	553 - SEWER	11/09/23	102	CULLIGAN	#3301-23611 RD 196	46.75
24805						\$451.00
	101 - GENERAL FUND	11/09/23	316	DEPT OF JUSTICE	ALCOHOL ANALYSIS	35.00
	101 - GENERAL FUND	11/09/23	316	DEPT OF JUSTICE	SEP. ALCOHOL ANALYS	105.00
	101 - GENERAL FUND	11/09/23	316	DEPT OF JUSTICE	SEP. FINGERPRINTS S	311.00
24806						\$254.80
	781 - CAL HOME RLF	11/09/23	2540	DEPT.OF HOUSING & C	10/31-CALHOME TO HC	254.80
24807						\$986.65
	700 - CDBG REVOLVING LN FUND	11/09/23	2540	DEPT.OF HOUSING & C	10/31/23 CDBG TO HC	986.65
24808						\$5,839.12
	720 - HOME REVOLVING LN FUND	11/09/23	2540	DEPT.OF HOUSING & C	10/31/23 HOME TO HC	5,839.12
24809						\$1,271.96
	101 - GENERAL FUND	11/09/23	119	DOUG DELEO WELDING	REPAIR WATER TANK	83.99
	101 - GENERAL FUND	11/09/23	119	DOUG DELEO WELDING	BOOMLIFT TRAINING	840.00
	101 - GENERAL FUND	11/09/23	119	DOUG DELEO WELDING	WELD BASEMENT DOOR	285.00
	552 - WATER	11/09/23	119	DOUG DELEO WELDING	CUTOFF & GRIND WHEEL	62.97
24810						\$5,972.00
	101 - GENERAL FUND	11/09/23	7165	ELECTRIC TIME COMPA	CITY HALL CLOCK CHI	5,972.00
24811						\$325.00
	400 - WELLNESS CENTER	11/09/23	6973	ELIZABETH GUND	OCT-RESET&REWIND YO	325.00
24812						\$33,068.75
	101 - GENERAL FUND	11/09/23	6446	ELK GROVE AUTO GROU	2023 RAM 1500 TRD L	33,068.75
24813						\$6,482.50
	101 - GENERAL FUND	11/09/23	5803	EMD NETWORKING SERV	NOV. MONTHLY BILLIN	6,482.50
24814						\$712.29
	101 - GENERAL FUND	11/09/23	633	ENTENMANN-ROVIN CO	DOME BADGES	712.29
24815						\$2,517.17
	101 - GENERAL FUND	11/09/23	6716	ESO SOLUTIONS INC	ER-CAD INTEGRATION	612.85
	101 - GENERAL FUND	11/09/23	6716	ESO SOLUTIONS INC	ER-LITE VOLUNTEER P	1,904.32
24816						\$59.52
	101 - GENERAL FUND	11/09/23	1450	FRESNO OXYGEN & WEL	D,E,SML,MED CYLINDE	59.52
24817						\$1,191.47
	552 - WATER	11/09/23	137	FRIANT WATER AUTHOR	SLDMWA EXCHANGE COS	1,191.47
24818						\$112.21
	553 - SEWER	11/09/23	6010	FRONTIER COMMUNICAT	559-562-6317	112.21
24819						\$100.00
	101 - GENERAL FUND	11/09/23	7172	GABRIELLA HERRERA	ARBOR DEPOSIT REFUN	100.00
24820						\$894.98
	101 - GENERAL FUND	11/09/23	1970	GIOTTO'S	REPLACED SMOKE DET.	667.00
	553 - SEWER	11/09/23	1970	GIOTTO'S	REPLACED CONTROL BA	227.98
24821						\$5,846.24
	400 - WELLNESS CENTER	11/09/23	7173	GLOBAL INDUSTRIAL	WC-WATER REFILL STA	5,846.24
24822						\$1,012.03
	101 - GENERAL FUND	11/09/23	3576	HDS WHITE CAP CONST	GENERATOR	1,012.03
24823						\$425.00
	101 - GENERAL FUND	11/09/23	6346	JEFF PFEIFFER	NOV. SQUIRREL TREAT	425.00
24824						\$74,465.96

101 - GENERAL FUND	11/09/23	6100	KEENAN & ASSOCIATES	NOV. PPO 250 RETIRE	1,928.62
101 - GENERAL FUND	11/09/23	6100	KEENAN & ASSOCIATES	NOV. PPO 250 ACTIVE	64,801.63
101 - GENERAL FUND	11/09/23	6100	KEENAN & ASSOCIATES	NOV. PPO 500 ACTIVE	7,735.71
24825					\$2,394.31
400 - WELLNESS CENTER	11/09/23	5788	LINCOLN AQUATICS	LIQUID CHLORINE	1,163.70
400 - WELLNESS CENTER	11/09/23	5788	LINCOLN AQUATICS	MURIATIC ACID	1,230.61
24826					\$581.91
101 - GENERAL FUND	11/09/23	4067	LINCOLN NAT'L INSUR	NOV. 2023 LIFE PLAN	581.91
24827					\$1,380.24
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-PUBLIC SA	81.75
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-BUILDING	120.19
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-CITY SERV	13.00
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-CITY YARD	37.26
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-GRAFFITI	28.01
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-STREETS	448.52
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-LANDSCAPI	90.73
101 - GENERAL FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-PARKS	176.85
261 - GAS TAX FUND	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-STREET SI	59.32
400 - WELLNESS CENTER	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-WELLNESS	18.78
552 - WATER	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-WATER	292.79
553 - SEWER	11/09/23	1422	LINDSAY TRUE VALUE	SEPTEMBER-WWTP	13.04
24828					\$490.00
101 - GENERAL FUND	11/09/23	5424	LINDSAY VETERINARY	10/17/23 ANIMAL SVC	140.00
101 - GENERAL FUND	11/09/23	5424	LINDSAY VETERINARY	10/24/23 ANIMAL SVC	65.00
101 - GENERAL FUND	11/09/23	5424	LINDSAY VETERINARY	10/3/23 ANIMAL SVCS	70.00
101 - GENERAL FUND	11/09/23	5424	LINDSAY VETERINARY	10/4/23 ANIMAL SVC	40.00
101 - GENERAL FUND	11/09/23	5424	LINDSAY VETERINARY	10/5&10/12 ANIMAL S	175.00
24829					\$1,975.00
400 - WELLNESS CENTER	11/09/23	6260	LLEON SERVICES	BOOSTER PUMP REPAIR	175.00
400 - WELLNESS CENTER	11/09/23	6260	LLEON SERVICES	WC-CHEMICAL BALANCE	1,800.00
24830					\$667.25
101 - GENERAL FUND	11/09/23	2933	MALLORY CO.	GLOVES	667.25
24831					\$200.00
400 - WELLNESS CENTER	11/09/23	6599	MARIA EDWARDS	OCT. ZUMBA CLASSES	200.00
24832					\$1,868.48
101 - GENERAL FUND	11/09/23	6550	MARIO SAGREDO ELECT	DOWNTOWN LIGHTS	826.93
101 - GENERAL FUND	11/09/23	6550	MARIO SAGREDO ELECT	HORSESHOE POLE LIGH	1,041.55
24833					\$217.50
101 - GENERAL FUND	11/09/23	7174	MARISCOS EL CHAPARR	ANNUAL HOLIDAY DINN	217.50
24834					\$150.00
400 - WELLNESS CENTER	11/09/23	6807	MARISOL DIAZ VELASQ	OCT. SPIN,ZUMBA,POU	150.00
24835					\$61.81
101 - GENERAL FUND	11/09/23	247	MINERAL KING PUBLIS	ORDINANCE#611 SUMMA	61.81
24836					\$5,935.25
600 - CAPITAL IMPROVEMENT	11/09/23	6639	MOORE IACOFANO GOLT	OLIVE BOWL AAS#1	4,975.25
600 - CAPITAL IMPROVEMENT	11/09/23	6639	MOORE IACOFANO GOLT	OLIVE BOWL/KAKU REN	960.00
24837					\$120.00
400 - WELLNESS CENTER	11/09/23	4323	OASIS	WC-MONITOR SYSTEM	120.00
24838					\$13.95
101 - GENERAL FUND	11/09/23	1565	OACYS.COM INC	DOMAIN PARKING & DN	13.95
24839					\$702.04
101 - GENERAL FUND	11/09/23	276	PORTERVILLE RECORDE	BID INVITATION-CANN	522.30
101 - GENERAL FUND	11/09/23	276	PORTERVILLE RECORDE	ORD#613 MAP#23-01	179.74
24840					\$2,261.53
101 - GENERAL FUND	11/09/23	3036	PRO FORCE LAW ENFOR	PANEL SET,CONCEAL C	2,261.53
24841					\$2,758.85
552 - WATER	11/09/23	4618	PROVOST & PRITCHARD	CORROSION CONTROL	1,240.00
552 - WATER	11/09/23	4618	PROVOST & PRITCHARD	WATER LOSS AUDIT &	218.50
553 - SEWER	11/09/23	4618	PROVOST & PRITCHARD	GWM&R EAST PONDS	453.50
556 - VITA-PAKT	11/09/23	4618	PROVOST & PRITCHARD	VITA PAKT-CONSULTIN	846.85
24842					\$11,916.60
101 - GENERAL FUND	11/09/23	399	QUAD KNOPF,INC.	928 FRESNO ST-TPM/F	1,064.80

101 - GENERAL FUND	11/09/23	399	QUAD KNOPF,INC.	SEP. PLANNING SERVI	1,136.00
101 - GENERAL FUND	11/09/23	399	QUAD KNOPF,INC.	1001 FRESNO-PARCEL	37.40
101 - GENERAL FUND	11/09/23	399	QUAD KNOPF,INC.	FINAL SUBDIVISION M	1,633.10
101 - GENERAL FUND	11/09/23	399	QUAD KNOPF,INC.	GEN ENGINEERING SVC	1,506.70
101 - GENERAL FUND	11/09/23	399	QUAD KNOPF,INC.	MISSION ESTATES SUB	55.00
101 - GENERAL FUND	11/09/23	399	QUAD KNOPF,INC.	O'HARA SUBDIVISION	2,307.60
600 - CAPITAL IMPROVEMENT	11/09/23	399	QUAD KNOPF,INC.	LINDA VISTA LOOP&VA	4,176.00
24843					\$127.50
101 - GENERAL FUND	11/09/23	5684	QUIK-ROOTER	CLEAR MAIN LINE-911	127.50
24844					\$1,716.93
101 - GENERAL FUND	11/09/23	285	QUILL CORPORATION	RETURNED CALCULATOR	(59.80)
101 - GENERAL FUND	11/09/23	285	QUILL CORPORATION	BATTERIES,BINDERS,P	267.01
101 - GENERAL FUND	11/09/23	285	QUILL CORPORATION	COPY PAPER	229.42
101 - GENERAL FUND	11/09/23	285	QUILL CORPORATION	TRASH BAGS	333.82
101 - GENERAL FUND	11/09/23	285	QUILL CORPORATION	TRASH BAGS & BINDER	194.47
101 - GENERAL FUND	11/09/23	285	QUILL CORPORATION	TONER & TRASH BAGS	604.58
400 - WELLNESS CENTER	11/09/23	285	QUILL CORPORATION	LABEL MAKER,ORGANIZ	147.43
24845					\$973.66
553 - SEWER	11/09/23	3016	QUINN COMPANY	BACKHOE-STROBE LIGH	973.66
24846					\$5,000.00
552 - WATER	11/09/23	6095	RALPH GUTIERREZ WAT	OCT. CPO WATER TREA	2,500.00
553 - SEWER	11/09/23	6095	RALPH GUTIERREZ WAT	OCT. CPO SEWER TREA	2,500.00
24847					\$275.00
400 - WELLNESS CENTER	11/09/23	3208	SHANNON PATTERSON	OCT. STRENGTH&BALAN	275.00
24848					\$9,741.83
552 - WATER	11/09/23	4555	THATCHER COMPANY IN	2023250112711CHLORI	11,241.83
552 - WATER	11/09/23	4555	THATCHER COMPANY IN	2023250903827CYL DE	(1,500.00)
24849					\$54,400.56
101 - GENERAL FUND	11/09/23	310	SOUTHERN CA. EDISON	600001505934-LATE F	2.75
101 - GENERAL FUND	11/09/23	310	SOUTHERN CA. EDISON	600001505934	2,467.53
101 - GENERAL FUND	11/09/23	310	SOUTHERN CA. EDISON	600001505934	3,099.90
101 - GENERAL FUND	11/09/23	310	SOUTHERN CA. EDISON	600001505934	42.83
101 - GENERAL FUND	11/09/23	310	SOUTHERN CA. EDISON	600001505934	1,472.14
261 - GAS TAX FUND	11/09/23	310	SOUTHERN CA. EDISON	600001505934	6,437.39
552 - WATER	11/09/23	310	SOUTHERN CA. EDISON	600001505934	32,635.31
553 - SEWER	11/09/23	310	SOUTHERN CA. EDISON	600001505934	455.87
553 - SEWER	11/09/23	310	SOUTHERN CA. EDISON	WWTP-23611 RD 196	6,361.16
556 - VITA-PAKT	11/09/23	310	SOUTHERN CA. EDISON	600001505934	253.01
883 - SIERRA VIEW ASSESSMENT	11/09/23	310	SOUTHERN CA. EDISON	600001505934	286.03
884 - HERITAGE ASSESSMENT DIST	11/09/23	310	SOUTHERN CA. EDISON	600001505934	95.55
886 - SAMOA	11/09/23	310	SOUTHERN CA. EDISON	600001505934	16.35
887 - SWEETBRIER TOWNHOUSES	11/09/23	310	SOUTHERN CA. EDISON	600001505934	26.34
888 - PARKSIDE	11/09/23	310	SOUTHERN CA. EDISON	600001505934	95.28
889 - SIERRA VISTA ASSESSMENT	11/09/23	310	SOUTHERN CA. EDISON	600001505934	204.11
890 - MAPLE VALLEY ASSESSMENT	11/09/23	310	SOUTHERN CA. EDISON	600001505934	(43.49)
891 - PELOUS RANCH	11/09/23	310	SOUTHERN CA. EDISON	600001505934	492.50
24850					\$63.21
101 - GENERAL FUND	11/09/23	6551	CHARTER COMMUNICATI	106076601101423	63.21
24851					\$851.00
779 - 00-HOME-0487	11/09/23	3634	STATE FARM	J. NAVARRO L203-04	851.00
24852					\$550.00
263 - TRANSPORTATION	11/09/23	3952	STEWART TITLE COMPA	CONDITION OF TITLE	550.00
24853					\$4,506.34
101 - GENERAL FUND	11/09/23	6146	SUPERION, LLC	INVOICE#6/12	1,126.58
552 - WATER	11/09/23	6146	SUPERION, LLC	INVOICE#6/12	1,126.59
553 - SEWER	11/09/23	6146	SUPERION, LLC	INVOICE#6/12	1,126.59
554 - REFUSE	11/09/23	6146	SUPERION, LLC	INVOICE#6/12	1,126.58
24854					\$2,802.00
552 - WATER	11/09/23	1921	TELSTAR INSTRUMENTS	CALIBRATE 7 TURBIDI	1,346.00
552 - WATER	11/09/23	1921	TELSTAR INSTRUMENTS	EVOQUA CHLORINE GAS	1,456.00
24855					\$2,416.35
101 - GENERAL FUND	11/09/23	144	THE GAS COMPANY	185 N GALE HILL	18.56

	101 - GENERAL FUND	11/09/23	144	THE GAS COMPANY	140 N MIRAGE	16.85
	101 - GENERAL FUND	11/09/23	144	THE GAS COMPANY	251 E HONOLULU	18.56
	101 - GENERAL FUND	11/09/23	144	THE GAS COMPANY	139 N SWEETBRIAR BB	15.16
	400 - WELLNESS CENTER	11/09/23	144	THE GAS COMPANY	740 SEQUOIA BLDG	44.06
	400 - WELLNESS CENTER	11/09/23	144	THE GAS COMPANY	740 SEQUOIA-POOL	2,303.16
24856						\$632.33
	101 - GENERAL FUND	11/09/23	5792	THOMSON REUTERS - W	ONLINE/SOFTWARE CHA	632.33
24857						\$2,604.00
	101 - GENERAL FUND	11/09/23	3152	TUL.CO.JAIL IND.ENG	4 DIGITAL PRINTS	1,736.00
	101 - GENERAL FUND	11/09/23	3152	TUL.CO.JAIL IND.ENG	DIGITAL PRINT-CSO T	868.00
24858						\$73.61
	553 - SEWER	11/09/23	336	TULARE COUNTY TAX C	1ST INSTALLMENT	73.61
24859						\$73.61
	553 - SEWER	11/09/23	336	TULARE COUNTY TAX C	1ST INSTALLMENT	73.61
24860						\$816.80
	553 - SEWER	11/09/23	336	TULARE COUNTY TAX C	POR N/2 SEC 3:20/26	816.80
24861						\$2,893.71
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	AVINA JOSEPH	2,893.71
24862						\$824.48
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	VARELA SILVESTRE &	824.48
24863						\$570.22
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	MARTINEZ ADELFA TIN	570.22
24864						\$901.44
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	VILLA GUADALUPE	901.44
24865						\$2,058.14
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	BALGAITH SALEM	2,058.14
24866						\$1,357.73
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	MAGANA SUSANA	1,357.73
24867						\$1,398.78
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	SAID MOHSIN	1,398.78
24868						\$1,263.40
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	GUTIERREZ RAFAEL	1,263.40
24869						\$1,215.67
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	LOPEZ ANDREA	1,215.67
24870						\$1,993.88
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	VILLA JESUS & MELIS	1,993.88
24871						\$1,215.67
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	ESPINOZA RITO	1,215.67
24872						\$1,255.98
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	GONZALEZ JOSE & GLO	1,255.98
24873						\$1,215.67
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	CORTEZ JORGE	1,215.67
24874						\$1,874.97
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	ANDRADE JUAN	1,874.97
24875						\$956.99
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	HERNANDEZ JOSE DE J	956.99
24876						\$1,021.67
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	MOOR JUDITH	1,021.67
24877						\$1,006.16
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	ANDRADE ADRIANA	1,006.16
24878						\$1,447.82
	779 - 00-HOME-0487	11/09/23	336	TULARE COUNTY TAX C	PEREZ SANDY	1,447.82
24879						\$519.02
	400 - WELLNESS CENTER	11/09/23	5401	ULINE	RUBBER MAT,TRASH CA	327.93
	400 - WELLNESS CENTER	11/09/23	5401	ULINE	UTILITY CART	191.09
24880						\$6,179.62
	101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	10/22/23 FD-MARIA M	223.20
	101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	10/29/23 FD-MARIA M	212.04
	101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	10/1/23 PS-DANA G.	892.80
	101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	10/15/23 PS-DANA G.	892.80
	101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	10/22/23 PS-DANA G.	892.80
	101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	10/29/23 PS-DANA G.	892.80

101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	10/8/23 PS-DANA G.	892.80
101 - GENERAL FUND	11/09/23	5747	USA STAFFING INC.	7/30/23 CS-ROGELIO	(25.34)
552 - WATER	11/09/23	5747	USA STAFFING INC.	10/22/23 FD-MARIA M	223.20
552 - WATER	11/09/23	5747	USA STAFFING INC.	10/29/23 FD-MARIA M	212.04
553 - SEWER	11/09/23	5747	USA STAFFING INC.	10/22/23 FD-MARIA M	223.20
553 - SEWER	11/09/23	5747	USA STAFFING INC.	10/29/23 FD-MARIA M	212.04
554 - REFUSE	11/09/23	5747	USA STAFFING INC.	10/22/23 FD-MARIA M	223.20
554 - REFUSE	11/09/23	5747	USA STAFFING INC.	10/29/23 FD-MARIA M	212.04
24881					\$10,727.20
552 - WATER	11/09/23	2960	UNITED STATES BUREA	5-07-20 W428-LTR1-P	10,727.20
24882					\$1,422.47
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	BACKHOE LED LIGHTBA	155.12
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	RAIN JACKETS & PANT	73.94
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	RAIN JACKETS	75.44
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	TRUCK#56 LED LIGHTB	436.51
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	BACKHOE LED LIGHTBA	155.13
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	RAIN JACKETS & PANT	73.94
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	RAIN JACKETS & PANT	73.94
101 - GENERAL FUND	11/09/23	356	USA BLUEBOOK	RAIN JACKETS	75.45
552 - WATER	11/09/23	356	USA BLUEBOOK	BACKHOE LED LIGHTBA	155.12
552 - WATER	11/09/23	356	USA BLUEBOOK	RAIN JACKETS & PANT	73.94
553 - SEWER	11/09/23	356	USA BLUEBOOK	RAIN JACKETS & PANT	73.94
24883					\$1,270.47
101 - GENERAL FUND	11/09/23	1041	VERIZON WIRELESS	642065758-00001 SEP	125.58
101 - GENERAL FUND	11/09/23	1041	VERIZON WIRELESS	642065758-00004 SEP	1,144.89
24884					\$161.21
101 - GENERAL FUND	11/09/23	612	WEISENBERGERS ACE H	TILE CIEL PLATES	161.21
24885					\$64.20
101 - GENERAL FUND	11/09/23	4068	YOLANDA FLORES	CALCITIES CONFERENC	64.20
24886					\$100.00
400 - WELLNESS CENTER	11/09/23	5912	YVETTE DURAN	OCT. POUND CLASSES	100.00
24887					\$440.00
101 - GENERAL FUND	11/09/23	7175	ZERO NOX	TOWA RETRO-E-KIT&BE	440.00
24888					\$1,235.00
306 - COVID-19 ARPA FUND	11/09/23	5344	99 PIPE LINE INC.	BILL#4LAFAYETTE WAT	1,235.00
24889					\$387.85
101 - GENERAL FUND	11/17/23	4660	CITY OF LINDSAY	DED:052 WELLNESS	37.85
101 - GENERAL FUND	11/17/23	4660	CITY OF LINDSAY	DED:CDBG CDBG PMT	350.00
24890					\$485.72
101 - GENERAL FUND	11/17/23	4660	CITY OF LINDSAY	DED:L203 CDBG LOAN	485.72
24891					\$297.40
101 - GENERAL FUND	11/17/23	3192	SEIU LOCAL 521	DED:COPE COPE SEIU	1.00
101 - GENERAL FUND	11/17/23	3192	SEIU LOCAL 521	DED:DUES UNION DUES	296.40
24892					\$8,622.67
101 - GENERAL FUND	11/17/23	6452	GREAT-WEST TRUST	DED:0500 DEF COMP	3,035.64
101 - GENERAL FUND	11/17/23	6452	GREAT-WEST TRUST	DED:0555 DC LOANPAY	1,567.70
101 - GENERAL FUND	11/17/23	6452	GREAT-WEST TRUST	DED:151 DEFERCOMP	3,528.64
101 - GENERAL FUND	11/17/23	6452	GREAT-WEST TRUST	DED:ROTH ROTH	490.69
24893					\$41.58
101 - GENERAL FUND	11/17/23	2325	LINDSAY PUBLIC SAFE	DED:LPOA LPOA DUES	41.58
24894					\$76.13
101 - GENERAL FUND	11/17/23	6246	MCDERMONT VENTURE I	DED:051 MCDERMONT	76.13
24895					\$473.55
101 - GENERAL FUND	11/17/23	1955	TEAMSTERS LOCAL 856	DED:0508 TEAMSTERS	473.55
24896					\$140.00
101 - GENERAL FUND	11/27/23	7045	559 HEATING AND COO	YEARLY-MINI SPLIT S	140.00
24897					\$1,842.00
101 - GENERAL FUND	11/27/23	6504	ADVENTIST HEALTH TO	OCT. TOXICOLOGY	1,842.00
24898					\$243.25
101 - GENERAL FUND	11/27/23	007	AG IRRIGATION SALES	1' MARLEX 90* ST EL	19.78
101 - GENERAL FUND	11/27/23	007	AG IRRIGATION SALES	12' VALVE BOX & COV	69.11
101 - GENERAL FUND	11/27/23	007	AG IRRIGATION SALES	SPRINKLER,THD COUPL	49.92

	552 - WATER	11/27/23	007	AG IRRIGATION SALES	HAND PUMP HOSE	104.44
24899						\$6,458.74
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	POLOS-COMM POLICE A	393.20
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	POLOS-RECORDS DEPT.	131.07
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	POLOS-RESERVE OFFIC	174.76
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	RECORDS DEPT-POLOS	87.38
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	UNIFORM-JESSICA MAC	1,115.25
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	UNIFORM-JOHAN C.	920.79
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	UNIFORM-JOSEPH C.	1,366.49
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	UNIFORM-TERESITA S.	901.14
	101 - GENERAL FUND	11/27/23	6907	ALL VALLEY UNIFORMS	UNIFORM-ZACHARY M.	1,368.66
24900						\$2,678.00
	400 - WELLNESS CENTER	11/27/23	3898	AMERICAN INCORPORAT	WC-QTRLY HVAC MAINT	2,678.00
24901						\$100.00
	400 - WELLNESS CENTER	11/27/23	6097	ANGELICA BERMUDEZ	OCT. ZUMBA CLASSES	100.00
24902						\$362.16
	101 - GENERAL FUND	11/27/23	3428	AT&T MOBILITY	HR-28729728867 NOV.	40.24
	101 - GENERAL FUND	11/27/23	3428	AT&T MOBILITY	CM-28729728867 NOV.	40.24
	101 - GENERAL FUND	11/27/23	3428	AT&T MOBILITY	FD-28729728867 NOV.	40.24
	101 - GENERAL FUND	11/27/23	3428	AT&T MOBILITY	PS-28729728867 NOV.	80.48
	101 - GENERAL FUND	11/27/23	3428	AT&T MOBILITY	CS-28729728867 NOV.	120.72
	400 - WELLNESS CENTER	11/27/23	3428	AT&T MOBILITY	WC-28729728867 NOV.	40.24
24903						\$622.83
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	CITY YARD-TOOL ORGA	5.38
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	CS-PRIUS-MOTOR OIL	85.12
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	TRUCK#91-MOTOR OIL	53.70
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	TRUCK#91-WIPER BLAD	51.28
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	WINDSHIELD WASHER F	9.57
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	EMERGENCY TRIANGLES	39.42
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	TRUCK#28-MOTOR OIL	67.00
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	TRUCK#57 PRY BAR	9.78
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	TRUCK#57-FUSE&SWITC	43.00
	101 - GENERAL FUND	11/27/23	5457	AUTO ZONE COMMERCIA	TRUCK#57-MAT,TRI-BA	154.15
	552 - WATER	11/27/23	5457	AUTO ZONE COMMERCIA	CARTS-CAR COVERS	65.01
	552 - WATER	11/27/23	5457	AUTO ZONE COMMERCIA	EMERGENCY TRIANGLES	39.42
24904						\$703.59
	101 - GENERAL FUND	11/27/23	5381	AWAKE SKATE SHOP	POLOS W/EMBROIDERY	173.17
	101 - GENERAL FUND	11/27/23	5381	AWAKE SKATE SHOP	FLEET TRUCK DECALS	530.42
24905						\$33,446.83
	101 - GENERAL FUND	11/27/23	7182	AXON ENTERPRISE INC	CAMERA BUNDLE,BODY	33,446.83
24906						\$2,137.08
	101 - GENERAL FUND	11/27/23	6351	CANON FINANCIAL SER	HR-#2UL13500 NOV.	270.00
	101 - GENERAL FUND	11/27/23	6351	CANON FINANCIAL SER	HR-#732446-4 NOV.	184.49
	101 - GENERAL FUND	11/27/23	6351	CANON FINANCIAL SER	CM-#2UL13500 NOV.	270.00
	101 - GENERAL FUND	11/27/23	6351	CANON FINANCIAL SER	CC-#732446-4 NOV.	184.49
	101 - GENERAL FUND	11/27/23	6351	CANON FINANCIAL SER	FD-#2UL13500 NOV.	270.00
	101 - GENERAL FUND	11/27/23	6351	CANON FINANCIAL SER	PS-#2UL13500 NOV.	540.00
	101 - GENERAL FUND	11/27/23	6351	CANON FINANCIAL SER	CS-#2UL13500 NOV.	270.00
	400 - WELLNESS CENTER	11/27/23	6351	CANON FINANCIAL SER	WC-#2UL13180 NOV.	122.46
	400 - WELLNESS CENTER	11/27/23	6351	CANON FINANCIAL SER	WC-#732446-2	25.64
24907						\$401.45
	101 - GENERAL FUND	11/27/23	076	CENTRAL VALLEY BUSI	#10 WINDOW ENVELOPE	80.29
	101 - GENERAL FUND	11/27/23	076	CENTRAL VALLEY BUSI	#10 WINDOW ENVELOPE	80.29
	552 - WATER	11/27/23	076	CENTRAL VALLEY BUSI	#10 WINDOW ENVELOPE	80.29
	553 - SEWER	11/27/23	076	CENTRAL VALLEY BUSI	#10 WINDOW ENVELOPE	80.29
	554 - REFUSE	11/27/23	076	CENTRAL VALLEY BUSI	#10 WINDOW ENVELOPE	80.29
24908						\$332.92
	400 - WELLNESS CENTER	11/27/23	6500	CHARTER COMMUNICATI	W.C. VOICE & INTERN	332.92
24912						\$3,079.57
	101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	DUALTP RFL PAPER	14.66
	101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	GASPAR,JONATHAN,ROG	88.55
	101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	SIG DUALTP RFL PAPE	14.66

101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	SIG ZFOLD RFL PAPER	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	TOILET SEAT COVER,M	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,AUTOSOAP D	38.88
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,DISNFCT CL	38.87
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,SOAP,MAT	38.88
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,ZFOLD PAPE	45.55
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	DUALTP RFL PAPER	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	GASPAR,JONATHAN,ROG	88.55
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	SIG DUALTP RFL PAPE	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	SIG ZFOLD RFL PAPER	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	TOILET SEAT COVER,M	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,AUTOSOAP D	38.88
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,DISNFCT CL	38.87
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,SOAP,MAT	38.88
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,ZFOLD PAPE	45.55
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	DUALTP RFL PAPER	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	GASPAR,JONATHAN,ROG	88.55
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	SIG DUALTP RFL PAPE	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	SIG ZFOLD RFL PAPER	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	TOILET SEAT COVER,M	14.66
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,AUTOSOAP D	38.88
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,DISNFCT CL	38.87
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,SOAP,MAT	38.88
101 - GENERAL FUND	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,ZFOLD PAPE	45.55
400 - WELLNESS CENTER	11/27/23	5832	CINTAS CORPORATION	HRDWND WHT PAPERL L	138.78
400 - WELLNESS CENTER	11/27/23	5832	CINTAS CORPORATION	WC-BASE FL CLEANER	158.00
400 - WELLNESS CENTER	11/27/23	5832	CINTAS CORPORATION	WC-CLEAN CHEM GENER	478.50
400 - WELLNESS CENTER	11/27/23	5832	CINTAS CORPORATION	WC-DISNFCT/RR CLEAN	138.78
552 - WATER	11/27/23	5832	CINTAS CORPORATION	DUALTP RFL PAPER	14.66
552 - WATER	11/27/23	5832	CINTAS CORPORATION	GASPAR,JONATHAN,ROG	88.55
552 - WATER	11/27/23	5832	CINTAS CORPORATION	SIG DUALTP RFL PAPE	14.66
552 - WATER	11/27/23	5832	CINTAS CORPORATION	SIG ZFOLD RFL PAPER	14.66
552 - WATER	11/27/23	5832	CINTAS CORPORATION	TOILET SEAT COVER,M	14.66
552 - WATER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,AUTOSOAP D	38.88
552 - WATER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,DISNFCT CL	38.88
552 - WATER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,SOAP,MAT	38.88
552 - WATER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,ZFOLD PAPE	45.55
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	DUALTP RFL PAPER	14.66
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	GASPAR,JONATHAN,ROG	88.55
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	SIG DUALTP RFL PAPE	14.66
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	SIG ZFOLD RFL PAPER	14.66
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	TOILET SEAT COVER,M	14.66
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,AUTOSOAP D	38.87
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,DISNFCT CL	38.88
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,SOAP,MAT	38.87
553 - SEWER	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,ZFOLD PAPE	45.56
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	DUALTP RFL PAPER	14.65
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	GASPAR,JONATHAN,ROG	88.55
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	SIG DUALTP RFL PAPE	14.65
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	SIG ZFOLD RFL PAPER	14.65
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	TOILET SEAT COVER,M	14.65
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,AUTOSOAP D	38.87
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,DISNFCT CL	38.88
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,SOAP,MAT	38.87
554 - REFUSE	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,ZFOLD PAPE	45.56
556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	DUALTP RFL PAPER	14.65
556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	GASPAR,JONATHAN,ROG	88.54
556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	SIG DUALTP RFL PAPE	14.65
556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	SIG ZFOLD RFL PAPER	14.65
556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	TOILET SEAT COVER,M	14.65
556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,AUTOSOAP D	38.87
556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,DISNFCT CL	38.88

	556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,SOAP,MAT	38.87
	556 - VITA-PAKT	11/27/23	5832	CINTAS CORPORATION	UNIFORMS,ZFOLD PAPE	45.56
24913						\$561.00
	101 - GENERAL FUND	11/27/23	279	CITY OF PORTERVILLE	ANIMAL SERVICES	561.00
24914						\$1,980.00
	400 - WELLNESS CENTER	11/27/23	7151	CLEAN AND SHINE SER	WC-GUTTER CLEANING	1,980.00
24915						\$850.00
	552 - WATER	11/27/23	6118	CVIN LLC D.B.A. VAS	11/1/23-11/30/23	283.34
	553 - SEWER	11/27/23	6118	CVIN LLC D.B.A. VAS	11/1/23-11/30/23	283.33
	554 - REFUSE	11/27/23	6118	CVIN LLC D.B.A. VAS	11/1/23-11/30/23	283.33
24916						\$280.00
	101 - GENERAL FUND	11/27/23	316	DEPT OF JUSTICE	OCT. ALCOHOL ANALYS	280.00
24917						\$410.37
	781 - CAL HOME RLF	11/27/23	2540	DEPT.OF HOUSING & C	11/15 CALHOME TO HC	410.37
24918						\$5,834.42
	700 - CDBG REVOLVING LN FUND	11/27/23	2540	DEPT.OF HOUSING & C	11/15/23 CDBG TO HC	5,834.42
24919						\$4,947.75
	720 - HOME REVOLVING LN FUND	11/27/23	2540	DEPT.OF HOUSING & C	11/15/23 HOME TO HC	4,947.75
24920						\$141.16
	101 - GENERAL FUND	11/27/23	5596	DIVISON OF THE STAT	CASP QTR 2023-3	1,411.63
	101 - GENERAL FUND	11/27/23	5596	DIVISON OF THE STAT	CASP QTR 2023-3	(1,270.47)
24921						\$400.00
	101 - GENERAL FUND	11/27/23	6366	DJ RENE SALAZAR	DJ-EMPLOYEE XMAS DI	400.00
24922						\$4,231.88
	553 - SEWER	11/27/23	5978	DOMINO SOLAR LTD	JB-9325693-00 OCTOB	4,231.88
24923						\$7,245.33
	101 - GENERAL FUND	11/27/23	5803	EMD NETWORKING SERV	DEC. MONTHLY BILLIN	6,545.50
	101 - GENERAL FUND	11/27/23	5803	EMD NETWORKING SERV	MICROSOFT WINDOW UP	699.83
24924						\$100.00
	101 - GENERAL FUND	11/27/23	7181	EVA VALENCIA	ARBOR DEPOSIT REFUN	100.00
24925						\$756.00
	101 - GENERAL FUND	11/27/23	7177	EXTREME JUMP	TREE LIGHT-CHAIRS,T	378.00
	101 - GENERAL FUND	11/27/23	7177	EXTREME JUMP	XMAS PARADE-CHAIRS,	378.00
24926						\$1,058.00
	779 - 00-HOME-0487	11/27/23	6084	FARMERS INSURANCE E	R.GUTIERREZ 9525237	1,058.00
24927						\$1,896.43
	552 - WATER	11/27/23	7012	FARWEST CORROSION C	METER FEE	(102.55)
	552 - WATER	11/27/23	7012	FARWEST CORROSION C	WATER CHARGES	(1.02)
	552 - WATER	11/27/23	7012	FARWEST CORROSION C	WATER METER DEPOSIT	2,000.00
24928						\$35.47
	101 - GENERAL FUND	11/27/23	129	FEDEX	RESOURCE ENVIRON. C	35.47
24929						\$423.28
	400 - WELLNESS CENTER	11/27/23	4807	FITGUARD INC.	WC-PMV,LUBE DECK	423.28
24930						\$81.22
	101 - GENERAL FUND	11/27/23	6681	FRANCESCA QUINTANA	CCAC ESSENTIAL RECO	81.22
24931						\$2,238.81
	552 - WATER	11/27/23	137	FRIANT WATER AUTHOR	FKC ROUTINE OM&R CO	2,215.50
	552 - WATER	11/27/23	137	FRIANT WATER AUTHOR	TOTAL SLDMWA COSTS	23.81
24932						\$1,403.65
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2650	21.52
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2652	43.04
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2656	43.04
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2662	56.91
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-188-3200	8.73
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	562-2512	183.83
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2650	21.52
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-188-3200	8.73
	101 - GENERAL FUND	11/27/23	6010	FRONTIER COMMUNICAT	209-042-9309	1.99
	552 - WATER	11/27/23	6010	FRONTIER COMMUNICAT	209-150-2936	78.33
	552 - WATER	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2650	21.52
	552 - WATER	11/27/23	6010	FRONTIER COMMUNICAT	209-188-3200	8.73
	552 - WATER	11/27/23	6010	FRONTIER COMMUNICAT	562-1552	134.28

552 - WATER	11/27/23	6010	FRONTIER COMMUNICAT	562-7131	167.01
553 - SEWER	11/27/23	6010	FRONTIER COMMUNICAT	209-150-3621	113.32
553 - SEWER	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2650	21.53
553 - SEWER	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2654	43.04
553 - SEWER	11/27/23	6010	FRONTIER COMMUNICAT	209-151-2655	43.04
553 - SEWER	11/27/23	6010	FRONTIER COMMUNICAT	209-188-3200	8.73
553 - SEWER	11/27/23	6010	FRONTIER COMMUNICAT	562-7132	374.81
24933					\$248.32
552 - WATER	11/27/23	1970	GIOTTO'S	WTP-RPLC CONTROL BA	82.89
553 - SEWER	11/27/23	1970	GIOTTO'S	HICKORY LIFT STATIO	165.43
24934					\$226.73
101 - GENERAL FUND	11/27/23	151	GRAINGER INC	CITY YARD-SAFETY TA	19.62
101 - GENERAL FUND	11/27/23	151	GRAINGER INC	CITY YARD-WALL FILE	40.24
101 - GENERAL FUND	11/27/23	151	GRAINGER INC	REPAIR REQUIRED TAG	5.17
101 - GENERAL FUND	11/27/23	151	GRAINGER INC	TOOL BACKPACK	161.70
24935					\$12,103.38
101 - GENERAL FUND	11/27/23	5647	GRISWOLD,LASALLE,CO	#22752.002-CITY SER	2,193.75
101 - GENERAL FUND	11/27/23	5647	GRISWOLD,LASALLE,CO	#22752.003-CITY COU	4,125.00
101 - GENERAL FUND	11/27/23	5647	GRISWOLD,LASALLE,CO	#22752.005-POLICE D	1,274.31
101 - GENERAL FUND	11/27/23	5647	GRISWOLD,LASALLE,CO	#22752.006-CITY CLE	2,091.33
101 - GENERAL FUND	11/27/23	5647	GRISWOLD,LASALLE,CO	#22752.007-CITY MAN	299.25
101 - GENERAL FUND	11/27/23	5647	GRISWOLD,LASALLE,CO	#22752.009-LABOR RE	787.50
101 - GENERAL FUND	11/27/23	5647	GRISWOLD,LASALLE,CO	#22752.012-PLANNING	1,332.24
24936					\$320.82
552 - WATER	11/27/23	3576	HDS WHITE CAP CONST	CORDLESS BLOWER KIT	320.82
24937					\$100.00
101 - GENERAL FUND	11/27/23	5507	JOSE VEGA	WATER DIST 1-2 COUR	100.00
24938					\$200.00
101 - GENERAL FUND	11/27/23	6687	JOSEPH TANNER	MJBIZCON CONFERENCE	200.00
24939					\$1,650.00
600 - CAPITAL IMPROVEMENT	11/27/23	7166	KRAZAN & ASSOCIATES	VALENCIA&LINDA VIST	1,650.00
24940					\$916.83
101 - GENERAL FUND	11/27/23	5542	KRC SAFETY CO., INC	BARRICADE-PLASTIC P	916.83
24941					\$100.00
101 - GENERAL FUND	11/27/23	2064	LA PUERTA ABIERTA	ARBOR DEPOSIT REFUN	100.00
24942					\$10,203.75
101 - GENERAL FUND	11/27/23	7099	LEGOLVAN LAW	LEGAL FEES	10,203.75
24943					\$746.92
101 - GENERAL FUND	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-PUBLIC SAFE	70.96
101 - GENERAL FUND	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-BUILDINGS	117.17
101 - GENERAL FUND	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-CITY YARD	58.54
101 - GENERAL FUND	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-GRAFFITI	42.35
101 - GENERAL FUND	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-PARKS	34.78
101 - GENERAL FUND	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-STREETS	217.38
101 - GENERAL FUND	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-LANDSCAPING	45.37
400 - WELLNESS CENTER	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-WELLNESS CE	40.94
552 - WATER	11/27/23	1422	LINDSAY TRUE VALUE	OCTOBER-WATER	119.43
24944					\$220.00
101 - GENERAL FUND	11/27/23	5424	LINDSAY VETERINARY	10/19/23 ANIMAL SVC	80.00
101 - GENERAL FUND	11/27/23	5424	LINDSAY VETERINARY	11/18/23 ANIMAL SVC	140.00
24945					\$190.00
101 - GENERAL FUND	11/27/23	6550	MARIO SAGREDO ELECT	SWEETBRIER PLAZA LI	190.00
24946					\$500.00
101 - GENERAL FUND	11/27/23	5964	MARY VALENTI, PH.D.	JESSICA M-PREEMPLOY	500.00
24947					\$59.13
101 - GENERAL FUND	11/27/23	247	MINERAL KING PUBLIS	ORDINANCE 613-OHARA	59.13
24948					\$300.00
101 - GENERAL FUND	11/27/23	7180	NANA'S PRIMROLLS	TREE LIGHT-SANTA CL	300.00
24949					\$79.26
101 - GENERAL FUND	11/27/23	7179	NANCY PINEDA	CCAC ESSENTIALS TRA	79.26
24950					\$105.00
101 - GENERAL FUND	11/27/23	4323	OASIS	PUBLIC SAFETY MONIT	105.00

24951						\$2,376.44
	552 - WATER	11/27/23	6673	PACE SUPPLY CORP	BRASS NUT & GSKT AS	126.52
	552 - WATER	11/27/23	6673	PACE SUPPLY CORP	PE PJ X MN BALL VAL	1,223.44
	552 - WATER	11/27/23	6673	PACE SUPPLY CORP	STAINLESS REPAIR CL	1,026.48
24952						\$257.68
	552 - WATER	11/27/23	276	PORTERVILLE RECORDE	URBAN WATER MANAGEM	257.68
24953						\$3,244.27
	101 - GENERAL FUND	11/27/23	6991	PREMIER ACCESS INSU	DEC. 2023 DENTAL PL	3,244.27
24954						\$21,481.80
	553 - SEWER	11/27/23	4618	PROVOST & PRITCHARD	GWM&R EAST PONDS	3,255.13
	556 - VITA-PAKT	11/27/23	4618	PROVOST & PRITCHARD	VITA-PAKT CONSULTIN	4,368.57
	600 - CAPITAL IMPROVEMENT	11/27/23	4618	PROVOST & PRITCHARD	TULARE&FOOTHILL INT	3,515.80
	600 - CAPITAL IMPROVEMENT	11/27/23	4618	PROVOST & PRITCHARD	VARIOUS RD IMPROVEM	10,342.30
24955						\$7,497.50
	101 - GENERAL FUND	11/27/23	399	QUAD KNOPF,INC.	GEN ENGINEERING SVC	3,372.50
	101 - GENERAL FUND	11/27/23	399	QUAD KNOPF,INC.	O'HARA SUBDIVISION	825.00
	263 - TRANSPORTATION	11/27/23	399	QUAD KNOPF,INC.	TRANSIT CENTER	722.50
	553 - SEWER	11/27/23	399	QUAD KNOPF,INC.	SEQUOIA BASIN&DRAIN	489.50
	600 - CAPITAL IMPROVEMENT	11/27/23	399	QUAD KNOPF,INC.	LINDA VISTA LOOP&VA	2,088.00
24956						\$864.29
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	CLICKER-COUNCIL CHA	41.32
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	CLICKER-CONFERENCE	41.31
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	BATTERIES,STAPLES	110.31
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	CALCULATOR,CALC PAP	107.63
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	CALCULATOR	95.69
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	DOOR SIGN	25.00
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	STAPLES & STAPLER	23.79
	101 - GENERAL FUND	11/27/23	285	QUILL CORPORATION	ENVELOPES,WITE-OUT	156.33
	400 - WELLNESS CENTER	11/27/23	285	QUILL CORPORATION	FILE FOLDERS,CLUBWI	262.91
24957						\$100.00
	101 - GENERAL FUND	11/27/23	7183	ROBERT TORRES	ARBOR DEPOSIT REFUN	100.00
24958						\$100.00
	101 - GENERAL FUND	11/27/23	7176	SAVE MART SUPERMARK	SPECIAL EVENT PERMI	100.00
24959						\$165,198.83
	600 - CAPITAL IMPROVEMENT	11/27/23	7119	SEAL RITE PAVING AN	VALENCIA&LINDA VIST	165,198.83
24960						\$282.00
	101 - GENERAL FUND	11/27/23	7143	SEQUOIA HEALTH CARE	SEPTEMBER 2023 CLAI	282.00
24961						\$5,868.68
	101 - GENERAL FUND	11/27/23	310	SOUTHERN CA. EDISON	700271196179-LATE F	0.12
	101 - GENERAL FUND	11/27/23	310	SOUTHERN CA. EDISON	700345129983-LATE F	0.40
	101 - GENERAL FUND	11/27/23	310	SOUTHERN CA. EDISON	700439853113-LATE F	0.15
	101 - GENERAL FUND	11/27/23	310	SOUTHERN CA. EDISON	700477296224-LATE F	0.47
	101 - GENERAL FUND	11/27/23	310	SOUTHERN CA. EDISON	700477332697-LATE F	0.76
	101 - GENERAL FUND	11/27/23	310	SOUTHERN CA. EDISON	700482892316-LATE F	1.13
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	108 HERMOSA PED	79.17
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	108 W HERMOSA LS3	21.60
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	135 W HONOLULU LS3A	117.73
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	150 E HONOLULU LS3B	124.21
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	151 W HONOLULU LS3C	77.96
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	151 W SAMOA LS3D	74.49
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	157 N MIRAGE LED	17.81
	261 - GAS TAX FUND	11/27/23	310	SOUTHERN CA. EDISON	269 N SWEETBRIAR	66.33
	400 - WELLNESS CENTER	11/27/23	310	SOUTHERN CA. EDISON	740 SEQUOIA-POOL	5,286.35
24962						\$60.00
	552 - WATER	11/27/23	5691	STATE WATER RESOURC	GRADE T2 EXAM.	60.00
24963						\$220.81
	101 - GENERAL FUND	11/27/23	6703	STERICYCLE INC	FD-OCT. SHRED IT SV	139.21
	101 - GENERAL FUND	11/27/23	6703	STERICYCLE INC	PS-OCT. SHRED IT SV	81.60
24964						\$4,506.34
	101 - GENERAL FUND	11/27/23	6146	SUPERION, LLC	INVOICE#7/12	1,126.58
	552 - WATER	11/27/23	6146	SUPERION, LLC	INVOICE#7/12	1,126.59
	553 - SEWER	11/27/23	6146	SUPERION, LLC	INVOICE#7/12	1,126.59

	554 - REFUSE	11/27/23	6146	SUPERION, LLC	INVOICE#7/12	1,126.58
24965						\$4,489.83
	101 - GENERAL FUND	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	101 - GENERAL FUND	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	101 - GENERAL FUND	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	101 - GENERAL FUND	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	101 - GENERAL FUND	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	400 - WELLNESS CENTER	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	552 - WATER	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	553 - SEWER	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
	554 - REFUSE	11/27/23	5755	TELEPACIFIC COMMUNI	11/09/23-12/08/23	498.87
24966						\$60.00
	101 - GENERAL FUND	11/27/23	6413	TRANS UNION LLC	9/26/23-10/25/23 SV	60.00
24967						\$11.39
	101 - GENERAL FUND	11/27/23	3152	TUL.CO.JAIL IND.ENG	ENGRAVED PLAQUE	11.39
24968						\$25.00
	554 - REFUSE	11/27/23	793	TULARE COUNTY AUDIT	REFUSE CORRECTION	25.00
24969						\$58.00
	552 - WATER	11/27/23	6015	TULARE COUNTY CLERK	2020 URBAN WATER MG	58.00
24970						\$2,123.38
	779 - 00-HOME-0487	11/27/23	336	TULARE COUNTY TAX C	NAVARRO, JACQUELINE	2,123.38
24971						\$527.92
	779 - 00-HOME-0487	11/27/23	336	TULARE COUNTY TAX C	PARAMO, MARIO & ELV	527.92
24972						\$4,405.69
	101 - GENERAL FUND	11/27/23	5747	USA STAFFING INC.	10/15/23 HR-ARTESIA	293.76
	101 - GENERAL FUND	11/27/23	5747	USA STAFFING INC.	10/22/23 HR-ARTESIA	330.48
	101 - GENERAL FUND	11/27/23	5747	USA STAFFING INC.	11/12/23 FD-MARIA M	151.60
	101 - GENERAL FUND	11/27/23	5747	USA STAFFING INC.	11/19/23 FD-MARIA M	178.56
	101 - GENERAL FUND	11/27/23	5747	USA STAFFING INC.	11/5/23 FD-MARIA M.	213.43
	101 - GENERAL FUND	11/27/23	5747	USA STAFFING INC.	11/12/23 PS-DANA G.	714.24
	101 - GENERAL FUND	11/27/23	5747	USA STAFFING INC.	11/5/23 PD-DANA G.	892.80
	552 - WATER	11/27/23	5747	USA STAFFING INC.	11/12/23 FD-MARIA M	151.61
	552 - WATER	11/27/23	5747	USA STAFFING INC.	11/19/23 FD-MARIA M	178.56
	552 - WATER	11/27/23	5747	USA STAFFING INC.	11/5/23 FD-MARIA M.	213.44
	553 - SEWER	11/27/23	5747	USA STAFFING INC.	11/12/23 FD-MARIA M	151.61
	553 - SEWER	11/27/23	5747	USA STAFFING INC.	11/19/23 FD-MARIA M	178.56
	553 - SEWER	11/27/23	5747	USA STAFFING INC.	11/5/23 FD-MARIA M.	213.44
	554 - REFUSE	11/27/23	5747	USA STAFFING INC.	11/12/23 FD-MARIA M	151.61
	554 - REFUSE	11/27/23	5747	USA STAFFING INC.	11/19/23 FD-MARIA M	178.56
	554 - REFUSE	11/27/23	5747	USA STAFFING INC.	11/5/23 FD-MARIA M.	213.43
24973						\$8,385.99
	552 - WATER	11/27/23	5413	UNIVAR USA INC	WELL14-LIQUICHLOR	807.88
	552 - WATER	11/27/23	5413	UNIVAR USA INC	WELL15-LIQUICHLOR	2,575.23
	552 - WATER	11/27/23	5413	UNIVAR USA INC	WTP-CAUSTIC SODA 50	5,002.88
24974						\$413.20
	552 - WATER	11/27/23	356	USA BLUEBOOK	TRUCK#28-LIGHTBAR	413.20
24975						\$1,724.77
	101 - GENERAL FUND	11/27/23	1041	VERIZON WIRELESS	642065758-00003 OCT	41.98
	101 - GENERAL FUND	11/27/23	1041	VERIZON WIRELESS	642065758-00001 OCT	125.67
	101 - GENERAL FUND	11/27/23	1041	VERIZON WIRELESS	642065758-00004 OCT	1,422.17
	101 - GENERAL FUND	11/27/23	1041	VERIZON WIRELESS	642065758-00003 OCT	22.49
	101 - GENERAL FUND	11/27/23	1041	VERIZON WIRELESS	642065758-00003 OCT	22.49
	101 - GENERAL FUND	11/27/23	1041	VERIZON WIRELESS	642065758-00003 OCT	22.49
	552 - WATER	11/27/23	1041	VERIZON WIRELESS	642065758-00003 OCT	22.49
	553 - SEWER	11/27/23	1041	VERIZON WIRELESS	642065758-00003 OCT	22.49
	554 - REFUSE	11/27/23	1041	VERIZON WIRELESS	642065758-00003 OCT	22.50
24976						\$12,000.00
	552 - WATER	11/27/23	6783	WEBB MUNICIPAL FINA	DELINQUENT WATER CH	1,666.66
	553 - SEWER	11/27/23	6783	WEBB MUNICIPAL FINA	DELINQUENT SEWER CH	1,666.67
	554 - REFUSE	11/27/23	6783	WEBB MUNICIPAL FINA	DELINQUENT TRASH CH	1,666.67
	554 - REFUSE	11/27/23	6783	WEBB MUNICIPAL FINA	REFUSE COLLECT ENRO	7,000.00
24977						\$6,813.00

	101 - GENERAL FUND	11/27/23	7178	WILDCAT WIRED	COUNCIL CHAMBERS AU	6,813.00
24978						\$300.00
	101 - GENERAL FUND	12/01/23	6604	HIPOLITO CERROS	DEC. COUNCIL STIPEN	300.00
24979						\$250.00
	101 - GENERAL FUND	12/01/23	6602	RAMIRO SERNA	DEC. COUNCIL STIPEN	250.00
24980						\$250.00
	101 - GENERAL FUND	12/01/23	6603	RAMONA CAUDILLO	DEC. COUNCIL STIPEN	250.00
24981						\$250.00
	101 - GENERAL FUND	12/01/23	5511	ROSAENA SANCHEZ	DEC. COUNCIL STIPEN	250.00
24982						\$275.00
	101 - GENERAL FUND	12/01/23	4068	YOLANDA FLORES	DEC. COUNCIL STIPEN	275.00
24983						\$387.85
	101 - GENERAL FUND	12/01/23	4660	CITY OF LINDSAY	DED:052 WELLNESS	37.85
	101 - GENERAL FUND	12/01/23	4660	CITY OF LINDSAY	DED:CDBG CDBG PMT	350.00
24984						\$485.72
	101 - GENERAL FUND	12/01/23	4660	CITY OF LINDSAY	DED:L203 CDBG LOAN	485.72
24985						\$297.40
	101 - GENERAL FUND	12/01/23	3192	SEIU LOCAL 521	DED:COPE COPE SEIU	1.00
	101 - GENERAL FUND	12/01/23	3192	SEIU LOCAL 521	DED:DUES UNION DUES	296.40
24986						\$8,334.80
	101 - GENERAL FUND	12/01/23	6452	GREAT-WEST TRUST	DED:0500 DEF COMP	3,035.64
	101 - GENERAL FUND	12/01/23	6452	GREAT-WEST TRUST	DED:0555 DC LOANPAY	1,279.83
	101 - GENERAL FUND	12/01/23	6452	GREAT-WEST TRUST	DED:151 DEFERCOMP	3,528.64
	101 - GENERAL FUND	12/01/23	6452	GREAT-WEST TRUST	DED:ROTH ROTH	490.69
24987						\$41.58
	101 - GENERAL FUND	12/01/23	2325	LINDSAY PUBLIC SAFE	DED:LPOA LPOA DUES	41.58
24988						\$85.36
	101 - GENERAL FUND	12/01/23	6246	MCDERMONT VENTURE I	DED:051 MCDERMONT	85.36
24989						\$62.76
	101 - GENERAL FUND	12/01/23	3042	STATE DISBURSEMENT	DED:0512 CHILD SUPT	62.76
24990						\$473.55
	101 - GENERAL FUND	12/01/23	1955	TEAMSTERS LOCAL 856	DED:0508 TEAMSTERS	473.55
76-10/						\$11,884.78
	101 - GENERAL FUND	11/07/23	6408	WEX BANK	C.M. 9/24/23-10/23/	135.34
	101 - GENERAL FUND	11/07/23	6408	WEX BANK	P.S. 9/24/23-10/23/	7,570.60
	101 - GENERAL FUND	11/07/23	6408	WEX BANK	C.S. 9/24/23-10/23/	303.32
	101 - GENERAL FUND	11/07/23	6408	WEX BANK	C.S. 9/24/23-10/23/	624.84
	101 - GENERAL FUND	11/07/23	6408	WEX BANK	C.S. 9/24/23-10/23/	1,162.52
	261 - GAS TAX FUND	11/07/23	6408	WEX BANK	C.S. 9/24/23-10/23/	337.26
	552 - WATER	11/07/23	6408	WEX BANK	C.S. 9/24/23-10/23/	336.02
	553 - SEWER	11/07/23	6408	WEX BANK	C.S. 9/24/23-10/23/	1,184.96
	554 - REFUSE	11/07/23	6408	WEX BANK	C.S. 9/24/23-10/23/	229.92
CHEV10						\$764.52
	101 - GENERAL FUND	11/08/23	6408	WEX BANK	76 FUEL 9/24-10/23	764.52
EDD111						\$4,663.89
	101 - GENERAL FUND	11/21/23	687	STATE OF CALIFORNIA	EDD PR PD 11/17/202	4,663.89
EDD113						\$4,696.85
	101 - GENERAL FUND	11/07/23	687	STATE OF CALIFORNIA	EDD PR PD 11/3/2023	4,696.85
IRS111						\$35,646.55
	101 - GENERAL FUND	11/21/23	2011	INTERNAL REVENUE SE	941 PR PD 11/17/202	12,372.87
	101 - GENERAL FUND	11/21/23	2011	INTERNAL REVENUE SE	941 PR PD 11/17/202	23,273.68
IRS113						\$35,537.15
	101 - GENERAL FUND	11/07/23	2011	INTERNAL REVENUE SE	941 PR PD 11/3/2023	12,935.77
	101 - GENERAL FUND	11/07/23	2011	INTERNAL REVENUE SE	941 PR PD 11/3/2023	22,601.38
PPA112						\$12.38
	101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	PPA C MARTINEZ	6.22
	101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	PPA C MARTINEZ	6.16
PPA112						\$95.41
	101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	PPA V DURAN/A ROBIN	8.24
	101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	PPA V DURAN/A ROBIN	19.21
	101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	PPA V DURAN/A ROBIN	51.54
	101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	PPA V DURAN/A ROBIN	16.42

SRV112						\$37,196.58
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	25354 CTPD10/15-10/	803.08	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	25354 MBPD10/15-10/	815.53	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	25355 CTPD10/15-10/	2,898.92	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	25355 MBPD10/15-10/	2,943.89	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	26330 CTPD10/15-10/	2,889.08	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	26330 MBPD10/15-10/	2,915.38	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	433 CTPD10/15-10/28	7,508.89	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	433 MBPD10/15-10/28	3,692.34	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	434 CTPD10/15-10/28	9,313.88	
101 - GENERAL FUND	11/14/23	457	PUBLIC EMPLOYEES RE	434 MBPD10/15-10/28	3,415.59	
SRV112						\$38,608.61
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	25354 CTPD10/29-11/	842.46	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	25354 MBPD10/29-11/	855.51	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	25355 CTPD10/29-11/	3,218.65	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	25355 MBPD10/29-11/	3,268.50	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	26330 CTPD10/29-11/	2,871.41	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	26330 MBPD10/29-11/	2,897.55	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	433 CTPD10/29-11/11	7,532.35	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	433 MBPD10/29-11/11	3,704.10	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	434 CTPD10/29-11/11	9,815.56	
101 - GENERAL FUND	11/29/23	457	PUBLIC EMPLOYEES RE	434 MBPD10/29-11/11	3,602.52	
UBNK10						\$18,835.81
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	HOTEL-CALCITIES CON	5,522.40	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	PARKING FEE	48.40	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	WATER AD-HOC COMMIT	42.59	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	ADOBE	9.99	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	AMAZON-FIRE STICK	25.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CANVA-ADVERTISEMENT	149.90	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	ZOOM	33.90	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CM-CCAC WORKSHOP	175.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CREDIT FROM HOTEL	23.09	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	HOTEL PARKING-CALCI	90.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	HOTEL-CALCITIES CON	1,134.77	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	ICMA ONLINE CREDIT	(55.00)	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	PARKING-ICMA CONFER	75.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	REFUND-IPSMAS WORKSH	(100.00)	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	ZOOM	14.41	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CANVA-1YR SUBSCRIPT	119.99	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CC-CCAC WORKSHOP	175.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CHAPARRITO-FD LUNCH	100.15	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	LEAGUE CITIES SEMIN	550.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	AUTOCAD SUBSCRIPTIO	440.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CEQA ESSENTIAL WORK	490.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	AMAZON-CANDY JARS	27.74	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	COSTCO-HALLOWEEN CA	127.92	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	INNOCORP-IMPAIR GOG	376.29	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	LINDSAY FOODS-WATER	36.27	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	OFFICE DEPOT-BINDER	54.05	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	PANERA-STRAFF TRAIN	13.18	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	PEER SUPPORT LUNCH	76.07	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	PIZZA-CMTY ACADEMY	103.83	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	SAVEMART-P.S. DRINK	73.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	SOLE FITNESS-TREADM	2,936.24	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	TRAINING GUNS	299.15	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	AMAZON	88.47	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CANVAPRO-SUBSCRIPTI	12.99	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CHINAS-LUNCH W/MAYO	40.56	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	CROMER-FORKLIFT CLA	995.00	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	FIELD CREW LUNCHEON	25.47	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	MIRROR REPLACEMENT	121.41	
101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	AMAZON-PET WASTE BA	143.16	

101 - GENERAL FUND	11/07/23	6326	CORPORATE PAYMENT S	LEONS TIRES-TIRE	124.80
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	99¢-SPOONS FOR PUMP	21.75
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	AMAZON-DECOR. FLAGS	32.61
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	AMAZON-FLOATING PUM	224.68
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	AMAZON-KEYBOARD	29.99
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	AMAZON-TV MOUNT&SUP	144.56
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	BEST BUY-TV	732.94
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	CPRS CONFERENCE	480.00
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	CPRS REGISTRATION	40.00
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	EBAY-DELL CONTRIL U	166.79
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	HOMEDEPOT-SAW FOR P	103.56
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	POWER POINT PRESENT	3.99
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	SPOTIFY SUBCSRIPTIO	10.99
400 - WELLNESS CENTER	11/07/23	6326	CORPORATE PAYMENT S	VISTA PRINT-POOL PA	145.40
552 - WATER	11/07/23	6326	CORPORATE PAYMENT S	AIR TRAVEL TO CONFE	263.00
552 - WATER	11/07/23	6326	CORPORATE PAYMENT S	AWWA WORKSHOP	559.00
552 - WATER	11/07/23	6326	CORPORATE PAYMENT S	HOTEL-AWWA CONFEREN	236.96
552 - WATER	11/07/23	6326	CORPORATE PAYMENT S	HOTEL-WATER QUALITY	449.40
552 - WATER	11/07/23	6326	CORPORATE PAYMENT S	OCT WATER QUALITY C	450.00

SUMMARY BY FUNDING SOURCE

101 - GENERAL FUND	\$	625,475.70
261 - GAS TAX FUND	\$	12,213.27
263 - TRANSPORTATION	\$	1,272.50
306 - COVID-19 ARPA FUND	\$	1,235.00
400 - WELLNESS CENTER	\$	50,151.95
552 - WATER	\$	90,007.87
553 - SEWER	\$	29,554.92
554 - REFUSE	\$	13,853.29
556 - VITA-PAKT	\$	6,749.00
600 - CAPITAL IMPROVEMENT	\$	192,906.18
700 - CDBG REVOLVING LN FUND	\$	6,821.07
720 - HOME REVOLVING LN FUND	\$	10,786.87
779 - 00-HOME-0487	\$	29,032.68
781 - CAL HOME RLF	\$	665.17
883 - SIERRA VIEW ASSESSMENT	\$	286.03
884 - HERITAGE ASSESSMENT DIST	\$	95.55
886 - SAMOA	\$	59.35
887 - SWEETBRIER TOWNHOUSES	\$	79.34
888 - PARKSIDE	\$	883.28
889 - SIERRA VISTA ASSESSMENT	\$	204.11
890 - MAPLE VALLEY ASSESSMENT	\$	(43.49)
891 - PELOUS RANCH	\$	856.50

TOTAL **\$ 1,073,146.14**



Monthly Treasurer's Report
November 30, 2023
Cash Balances Classified by Depository

CASH RESOURCES

LOCATION	GL ACCOUNT #	TYPE	BALANCE
Cash Register Funds (City Hall & Wellness)	100-102	RES	\$700
Bank of the Sierra- Depository Account	100-114	GEN	583,159
Bank of the Sierra - AP/Operating	100-100	GEN	-
Bank of the Sierra - Payroll	100-106	GEN	-
Bank of the Sierra - Wellness Center	100-500	GEN	712,277
Bank of the Sierra - Impound Account	100-120	RES	37,553
LAIF Savings: City & Successor Agency	100-103	INV-RES	4,556,622
MBS Investments	100-700	INV-RES	5,611,371
TOTAL			\$11,501,683

CASH EXPENDED

ACCOUNTS PAYABLE & PAYROLL	AMOUNT
Accounts Payable	\$1,084,554
Payroll (November 3 Payday)	\$304,904
Payroll (November 17 Payday)	\$315,772
TOTAL	\$ 1,705,230

DEBT SERVICE	AMOUNT
Tulare Rd.	\$107,765
Sewer Plant Expansion	\$323,470
Library	\$6,771
TOTAL	\$ 438,006

INVESTMENTS

INVESTMENT POLICY COMPLIANCE

As of the end of the month, the investments were in compliance with the requirements of the City's investment policy. This report reflects all cash and investments of the City of Lindsay (O/S checks not reflected in End Cash Balance).

INVESTED FUNDS	\$10,167,993
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Respectfully submitted,

Salvador Guzman

Director of Finance
 City of Lindsay

ABBREVIATIONS

GEN: GENERAL UNRESTRICTED
 RES: RESTRICTED ACTIVITY
 INV: INVESTMENT



STAFF REPORT

TO: Lindsay City Council
FROM: Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: City Manager
ITEM NO.: 11.4
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Consider the Minute Order Approval of the City Council Regular Meeting Schedule for January – December 2024.

Staff recommends that the City Council approve the proposed City Council Regular Meeting Schedule for January to December 2024 to ensure continuity of City operations.

BACKGROUND | ANALYSIS

The Lindsay City Council holds regular meetings on the second and fourth Tuesdays of every month unless otherwise noticed.

The attached draft regular meeting schedule proposes that all regular meetings be duly held as scheduled except for the March 26th, August 13th, November 26th, and December 24th meetings.

FISCAL IMPACT

No fiscal impact associated with this action.

ATTACHMENTS

- 2024 City Council Regular Meeting Schedule

City Council Regular Meeting Schedule Year 2024

Meeting Date
Tuesday, January 9 th
Tuesday, January 23 rd
Tuesday, February 13 th
Tuesday, February 27 th
Tuesday, March 12 th
CANCELED – Tuesday, March 26 th <i>*Cancellation for Spring Recess</i>
Tuesday, April 9 th
Tuesday, April 23 rd
Tuesday, May 14 th
Tuesday, May 28 th
Tuesday, June 11 th
Tuesday, June 25 th
Tuesday, July 9 th
Tuesday, July 23 rd
CANCELED – Tuesday, August 13 th <i>*Cancellation for Beginning of New School Year</i>
Tuesday, August 27 th
Tuesday, September 10 th
Tuesday, September 24 th
Tuesday, October 8 th
Tuesday, October 22 nd
Tuesday, November 12 th
CANCELED – Tuesday, November 26 th <i>*Cancellation for Thanksgiving holiday</i>
Tuesday, December 10 th
CANCELED – Tuesday, December 24 th <i>*Cancellation for Christmas holiday</i>



City of Lindsay

P.O. Box 369 — Lindsay, California 93247 — 251 Honolulu Street

December 12, 2023

Via Email

To: Airica de Oliveira, Tulare County Economic Development Corporation CEO
Tulare County EDC
309 W. Main St.
Suite 110
Visalia, CA 93291

Re: TDEC Board of Directors – City of Lindsay

Dear Airica:

This letter serves as a formal written notification that the City of Lindsay wishes to change its Alternate Representative to the Board of Directors from Planning Manager Curtis Cannon to Assistant City Planner Araceli Mejia effective immediately.

Sincerely,

City Manager





STAFF REPORT

TO: Lindsay City Council
FROM: Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: City Manager
ITEM NO.: 11.6
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Consider the Approval of Resolution No. 23-47, A Resolution of the City Council of the City of Lindsay Nominating City of Visalia Council Member Elizabeth Wynn to the Special City Selection Committee for Appointment to the District Governing Board.

Staff recommends that the City Council consider the proposed candidate's application and either nominate or reject the applicant to ensure that the City of Lindsay's vote is considered.

BACKGROUND | ANALYSIS

There is currently a vacancy on the San Joaquin Valley Air Pollution Control District (District) Governing Board that must be filled by a city representative from a "large" city, having a population of 100,000 or more, within Tulare County.

Pursuant to the Health and Safety Code Section 40600.5, appointments to the District Governing Board will be made by the San Joaquin Valley Special City Selection Committee (Committee). According to the procedures adopted by the Committee, the next step in the appointment process is for all cities within Tulare County to select a candidate from the applicants for the vacant position.

Mayor Cerros currently serves as the San Joaquin Valley Air Pollution Control District Special City Selection Committee Representative on behalf of the Lindsay City Council.

Per the procedures adopted by the Valleywide Special City Selection Committee, the Lindsay City Council must hold a vote to either nominate the applicant to the Committee for appointment to the District Governing Board or reject the applicant. The vote must take place as an item on the City Council's publicly noticed agenda and be discussed during a regularly scheduled City Council meeting. Attached to this report is a copy of the proposed candidate's application.

In order for City of Lindsay's vote to be counted towards nomination to the Committee, the City must return a copy of a City Council Resolution on this matter to the District by January 05, 2024.

FISCAL IMPACT

No fiscal impact associated with this action.

ATTACHMENTS

- City of Lindsay Ballot Packet
- Resolution No. 23-47

GOVERNING BOARD

Vito Chiesa, Chair
Supervisor, Stanislaus County

Deborah Lewis, Vice Chair
Councilmember, City of Los Banos

Drew M. Bessinger
Councilmember, City of Clovis

David Couch
Supervisor, Kern County

Rosa Escutia-Braaton
Councilmember, City of Modesto

Robert Macaulay
Supervisor, Madera County

Buddy Mendes
Supervisor, Fresno County

Tania Pacheco-Werner, PhD.
Appointed by Governor

Lloyd Pareira
Supervisor, Merced County

Alvaro Preciado
Mayor, City of Avenal

Gilberto Reyna
Councilmember, City of Wasco

Robert Rickman
Supervisor, San Joaquin County

Rusty Robinson
Supervisor, Kings County

Alexander C. Sherriffs, M.D.
Appointed by Governor

Amy Shuklian
Supervisor, Tulare County

Samir Sheikh
Executive Director
Air Pollution Control Officer

Northern Region Office
4800 Enterprise Way
Modesto, CA 95356-8718
(209) 557-6400 • FAX (209) 557-6475

Central Region Office
1990 East Gettysburg Avenue
Fresno, CA 93726-0244
(559) 230-6000 • FAX (559) 230-6061

Southern Region Office
34946 Flyover Court
Bakersfield, CA 93308-9725
(661) 392-5500 • FAX (661) 392-5585

November 9, 2023

Francesca Quintana, City Clerk
P.O. Box 369
Lindsay, CA 93247

RE: APPOINTMENT TO THE GOVERNING BOARD OF THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT – LARGE CITY REPRESENTATIVE

Dear Ms. Quintana:

There is currently a vacancy on the San Joaquin Valley Air Pollution Control District (District) Governing Board that must be filled by a city representative from a “large” city, having a population of 100,000 or more, within Tulare County.

Pursuant to the Health and Safety Code Section 40600.5, appointments to the District Governing Board will be made by the San Joaquin Valley Special City Selection Committee (Committee). According to the procedures adopted by the Committee, the next step in the appointment process is for all cities within Tulare County to select a candidate from the applicants for the vacant position, as follows:

• **Councilmember Elizabeth Wynn, City of Visalia**

Per the procedures adopted by the Valleywide Special City Selection Committee, your City Council must hold a vote to either nominate the applicant listed above to the Committee for appointment to the District Governing Board, or reject the applicant. The vote must take place as an item on your City Council’s publicly noticed agenda, and be discussed during your regularly scheduled City Council meeting. Attached is a sample resolution for your consideration. Also attached is a copy of the proposed candidate’s application.

In order for your city’s vote to be counted towards nomination to the Committee, you must return a copy of your City Council Resolution on this matter to the District by January 5, 2024, to the following email address:

November 9, 2023

Page 2

Samir Sheikh Executive Director/APCO

c/o

Katrina Rojas, Deputy Clerk to the Board, Katrina.Rojas@valleyair.org

Thank you in advance for your timely action on this matter. Should you have any questions or concerns, please do not hesitate to contact Ms. Katrina Rojas, Deputy Clerk to the Boards, by phone at (559) 230-6001, or via email at katrina.rojas@valleyair.org.

Sincerely,



Samir Sheikh
Executive Director/APCO

Attachments:

Sample Resolution (1 page)

Elizabeth Wynn Candidate Application (3 pages)



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

APPLICATION FOR APPOINTMENT AS A CITY REPRESENTATIVE
ON GOVERNING BOARD OF
THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT

If you are an elected official on the city council for the City of Visalia, you may submit an application for appointment to the Governing Board of the San Joaquin Valley Air Pollution Control District.

Applicant Name:	Elizabeth Wynn	
Residence Address (Must live within the boundaries of the San Joaquin Valley APCD):	[REDACTED] Visalia, Ca 93277	
Mailing Address:		
Telephone:	([REDACTED])	([REDACTED])
	Primary	Alt.
Email Address:	liz.wynn@visalia.city	
Applicant Signature:	<i>Elizabeth Wynn</i>	Date: 10/20/2023

Please submit this form along with a candidate statement and any other pertinent information (e.g., resume, education, experience) that you desire to be considered to the email below. **Please limit candidate statement to no more than one page.** Please complete this application and return it by **November 3, 2023**. Incomplete applications will not be accepted.

Samir Sheikh
Air Pollution Control Officer
San Joaquin Valley APCD
c/o
Katrina Rojas, Deputy Clerk to the Board
katrina.rojas@valleyair.org

RECEIVED

OCT 24 2023

CLERK OF THE BOARDS
SJVAPCD

**Elizabeth Wynn, Council Member
City of Visalia
2021 - Present**

My mission in life is to contribute to my community through work, social, and family relationships.

Council Activities: City representative on Tulare County LAFCO, Tulare County Transit Association (alternate), Tulare County Homeless Alliance. SJVAPCD Large City Rep.

Employment:

Kaweah Health Foundation, [REDACTED]

Foundation Director (1/2019 – present)

I currently serve as Foundation Director whose mission exists to support the needs of Kaweah Health. Under my leadership our volunteer board of directors has successfully completed three major campaigns through fundraising and serving as ambassadors in our community. As a result of these recent efforts over nine million dollars in new technology, state of the art medical equipment and patient improvements have been completed. As the largest community health care district in the State, Kaweah Health serves all residents with care and compassion regardless of ability to pay. With one of the largest Medi-Cal populations in the State, it is difficult for the District to provide funding to keep pace with rapidly changing medical technology and equipment. I believe everyone deserves quality healthcare and my role at the Foundation is to work with community members, private foundations and government entities to find ways to fund the needs of the District in their mission to provide excellence in healthcare.

Visalia Emergency Aid Council, [REDACTED]

Executive Director (7/1/2014 – 12/2018)

After spending nine years in the Seattle area I returned home to provide leadership and direction for Visalia Emergency Aid Council (VEAC). The mission of VEAC is to provide food, clothing and shelter for families in need throughout Visalia and Tulare County. I led the organization through a major building campaign for a 6,000 sq.ft. pantry and new administrative offices. As the COVID pandemic hit the Valley, the newly expanded warehouse was a critical resource in distributing food to record numbers of families in need in 2020-21. I also worked collaboratively with other social service organizations to form partnerships to avoid duplication of services and support the success of all.

July 2005 – June 2014 My husband and I moved to Seattle to support a growing church led by a close friend. During that time we helped with the expansion of a youth center, 2500 seat worship center and preschool. I established two non-profit organizations to serve youth and disadvantaged individuals that are still active.

Self-Help Enterprises (SHE) - P.O. Box 6520, Visalia, CA 93290 (Non-profit affordable housing developer)
Assistant Program Manager New Homes Division 1/2002 – 7/2005

QUAD/Knopf, 5110 W. Cypress, Visalia, CA 93277 (Planning/Engineering/Architectural Consultants)
Vice President/Planner III (9/83 - 10/97)

Education: B.A. Human Resources Fresno Pacific University, 1995
A.A., Business, College of the Sequoias, 1992
American Institute of Certified Planners, (AICP) 1997

Volunteer Activities:

City Council Member, Aug. 2021 - present
Planning Commissioner, City of Visalia, July 2004 – July 2005, June 2014- June 2019 (Chair)
Woman of the Year, 26th Assembly District, 2021
COS Hall of Fame Inductee, 2019
City of Visalia Housing Element Task Force 2016
Planning Policy Task Force, City of Visalia, November 2004- July 2005.
President – Rotary Club of Visalia 2021-2022
Board of Directors, Rotary Club of Visalia, 2015-2022
Established 501c3 for Downtown Rotary Foundation to secure funding for local and international non-profits.
Visalians for Measure A (school bond), Asst. Treasurer 2018
Children’s ministry Volunteer – Neighborhood Church 2016-2021
Kaweah Delta Community Advisory Committee 2017 - 2019
Volunteer Mentor, Leadership Visalia 2015-2019
Visalia Economic Development Council – Interim Executive Director 2000-2001
Chairperson and committee member, Visalia Chamber of Commerce Christmas Tree Auction 1986-91.
Volunteer coach, board member and concession chair for numerous children’s athletic groups.
Board Member, Visalia Education Foundation, 1996-2000.
Founding Board Member, Naz Sports, 1991 Established 501c3 for this large sport organization.
Young Visalian of the Year for community service, 1995, City of Visalia/Visalia Jaycees
Volunteered for numerous local political races for School Bonds, City Council, TC Sheriff, etc.

▪



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

NUMBER 23-47

TITLE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY NOMINATING CITY OF VISALIA COUNCIL MEMBER ELIZABETH WYNN TO THE SPECIAL CITY SELECTION COMMITTEE FOR APPOINTMENT TO THE DISTRICT GOVERNING BOARD

MEETING At a regularly scheduled meeting of the City of Lindsay City Council held on December 12, 2023, at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA 93247

WHEREAS, Health and Safety Code Section 40600.5 created a Special City Selection Committee for the appointment of city members of the San Joaquin Valley Air Pollution Control District (District) Governing Board; and

WHEREAS, the Special City Selection Committee has adopted procedures and a rotation schedule for making their appointments, and based upon the adopted rotation schedule a city council member representing a city with a population of more than 100,000 from Tulare County shall be appointed to the District Governing Board; and

WHEREAS, in selecting a nominee for appointment by the Special City Selection Committee to the District Governing Board, the City Council considered the application materials from the eligible candidates; and

WHEREAS, the vote to select a nominee took place as an item on the publicly noticed agenda and was discussed during the normal city council meeting with time for public comment.

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

SECTION 1. The City Council hereby finds that the facts set forth in the recitals to this Resolution are true and correct and establishes the factual basis for the City Council's adoption of this Resolution.

SECTION 2. The Lindsay City Council hereby nominates Elizabeth Wynn to the Special City Selection Committee for appointment to the District Governing Board.

SECTION 3. This Resolution shall take effect immediately upon its adoption.

RESOLUTION NO. 23-47

Page 1 of 2



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	December 12, 2023
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.

FRANCESCA QUINTANA
CITY CLERK

HIPOLITO A. CERROS
MAYOR



STAFF REPORT

TO: Lindsay City Council
FROM: Salvador Guzman, Director of Finance
DEPARTMENT: Finance
ITEM NO.: 11.7
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Consider the Minute Order Approval of Amendments to the City of Lindsay Finance and Accounting Policies and Procedures.

City Staff recommends that the City Council approve the amendments to the City of Lindsay Finance and Accounting Policies and Procedures in response to the Fiscal Year 2021 – 2022 22 audit finding identified as 2022-004 and 2022-005. The proposed amendments aim to address the identified issues related to the segregation of duties for cash receipts and the lack of control over cash receipts at various collection locations.

BACKGROUND | ANALYSIS

The recent audit highlighted significant deficiencies in the City's cash receipts processes, specifically within the Parks and Recreation Department and across all cash collection locations. The findings emphasized a lack of segregation of duties, inadequate documentation, and a failure to reconcile receipts with the City's general ledger.

In response to the audit findings, the Department of Finance recommends that the City Council approve the following amendments to Section 5 'Receipts' of the City's Finance and Accounting Policies and Procedures.

Beginning cash balances for all departments are designated as restricted funds and may not be altered without written authorization from the Director of Finance. The following designated areas shall maintain a starting cash balance, which is to be verified at the start of the workday and again at the end of the workday:

- Wellness Center: \$200.00
- Finance Department: \$500.00
- Public Safety: \$200.00
- City Services: \$50.00

Each department, including the Wellness Center, Finance Department, Public Safety, and City Services, shall reconcile and remit all receipts to the Finance Department at the close of business every day. In the

event of a designated holiday, reconciliation and remittance should be completed on the next business day. Throughout each day, all receipts within each department shall be secured in a designated locked cabinet, accessible only by the respective department head.

For departments whose hours of operation do not align with those of the Finance Department, the reconciliation and remittance of receipts should be made on the next business day. This ensures proper accounting and security of funds across differing schedules.

FISCAL IMPACT

No fiscal impact associated with this action. The recommended policy amendments focus on internal control improvements and compliance, without requiring additional financial resources.

ATTACHMENTS

- Fiscal Year 2021 – 2022 Current Year Recommendations
- Finance and Accounting Policy and Procedures – Redline Copy

CURRENT YEAR RECOMMENDATIONS

Material Weakness

2022-001 Finding – Internal controls over financial reporting/accounting close and accuracy in financial reporting:

Due to limited staffing levels and the financial difficulties faced by the City during our audit period ended June 30, 2022, internal controls were either lacking, were not designed properly, and mitigating controls were not sufficient to effectively identify misstatements due from error.

In addition, the City did not have in place during our audit period a systematic method for ensuring that timely and complete year end closing procedures were in operation before presenting the trial balance to auditors, resulting in a number of journal entries being presented to correct or to reclassify balances in financial statements that should normally be captured through the closing process. Those adjustments have been reported and posted by the City.

Effect:

Delays in processing transactions timely and closing accounting periods can create accounting errors that could go undetected and may lead the financial statements to be materially misstated and create further delays in the release of audited financial statements, as well as all for possible irregularities including fraud to exit and continue without notice.

Recommendation:

We understand that the City has established year-end closing procedures subsequent to the period of our audit. However, we recommend that the City review those year-end closing procedures to ensure that it adequately addresses and includes an evaluation of the areas that have caused the accounting errors above and the need for correcting journal entries after the year end closing. These procedures should include timely review and approval by management of account reconciliations, sub-ledger transactions, cutoff review for account balances at a fund and overall governmentwide level, and revenue and expenditures/expense review. Revenue and expenditures/expenses should be compared to the prior year or prior year trends and to the budget.

Management's response:

The City acknowledges the importance of maintaining robust internal controls over financial reporting and ensuring the utmost accuracy in our financial statements. It is also important to note that there have been significant Staff shortages and turnover in essential and critical departments within the City, such as the Finance Department. The City has faced financial difficulties due to declining revenue streams, rising costs, rising pension and healthcare obligations, and debt service. In August of 2022, the City amended its Finance and Accounting Policies and Procedures to improve its financial management, enhance transparency, and align revenue generation with evolving community needs and priorities which are essential to the long-term fiscal health of the City. The City plans to fund the Finance & Accounting Manager position in the coming fiscal year and has retained an expert financial retired annuitant to see to it that internal controls and year-end closing procedures are implemented. The newly hired Director of Finance has also been tasked with reviewing the year-end closing procedures currently in place relative to reconciliation, sub-ledger transactions, review of revenues and expenses at a fund and overall governmentwide level and will compare it to the prior year or prior year trends as well as the budget.

CURRENT YEAR RECOMMENDATIONS (CONTINUED)

Material Weakness (Continued)

2022-002 Finding – Deficit unassigned fund balance in general fund:

During the review of the trial balance, we noted that the general fund had a deficit unassigned fund balance of \$1,306,438 at June 30, 2022.

Effect:

A material deficit amount in unassigned fund balance is an indication that the City has had significant deficit spending in its general operations. The general fund is the operating fund of the City. The City will not have working capital to operate if it continues to have operating deficits.

Recommendation:

We recommend that the City develop a management action plan to eliminate or reduce the deficit unassigned fund balances and deficit spending.

Management's response:

The City agrees with this recommendation. The City is aware of the current deficit and what it means for the overall financial standing of the City and its ability to provide essential services to the community. Similar to the above 2022-001, due to declining revenue streams, rising costs, rising pension and healthcare obligations, and debt service, the City finds itself with a deficit fund balance. It is important to note that though there is a deficit unassigned fund balance, the previous fiscal year deficit was approximately \$2.47 million dollars, and the City has improved its overall financial standing in the recent fiscal years. Developing a plan or methods to eliminate or reduce the deficit unassigned fund balances and deficit spending is a multifaceted process that involves careful analysis, strategic decision making, and ongoing monitoring. The City has already taken steps towards eliminating and/or reducing the deficit unassigned fund balances and deficit spending. These steps include and are not limited to the establishment of a conservative fiscal year operating budget and capital improvement plan, exploring revenue enhancement opportunities, implementing more stringent budgetary controls and accountability, and following the adopted long term formal repayment plan. The City recognizes that the General Fund has been sustaining the Water Fund as well as a portion of the Wellness Center Fund and thus professional feasibility studies of the City's Water and Water Wells have been completed. At Councils direction, the City has formed a Water Ad-Hoc Committee, which serves as an advisor to the Council. The Committee is currently reviewing said studies and will be identifying potential funding sources to address the findings of the studies. It is important to note that there has not been a water rate increase since the late 1990's.

CURRENT YEAR RECOMMENDATIONS (CONTINUED)

Material Weakness (Continued)

2022-003 Finding – California State Auditor identified high risk issues:

During our review of the City’s control environment, we noted that California State Auditor issued an audit report on August 26, 2021, to discuss the City’s financial and operational risks. The City was identified as high risk because of its financial problems and management practices. The issues are as follows.

Lindsay’s Actions Raise Doubt About the Financial Stability of Its General Fund

- In improving its financial condition, the City violated State Law, exposing it to litigation
- Lindsay has not ensured that its Street Improvement Program complies With State Law
- Lindsay has found new sources of revenue in recent years, but these have not adequately improved its financial condition
- The City reduced some liabilities and expenditures, which partially improved its finances, but other financial problems remain

Lindsay Must Increase Its Efforts to Address Deficits in Its Enterprise Funds

- Deficits and inappropriate loan forgiveness led to negative balances in the City’s Enterprise Funds, limiting its ability to effectively operate its utilities
- Lindsay has not ensured that its service fees and utility rates sufficiently cover its costs

Lindsay Must Improve Its Management Practices to Effectively Plan for Its Financial and Operational Needs

- The City’s lack of a long-term financial plan is hindering its efforts to achieve financial sustainability
- Lindsay needs to address its rising employee retirement costs
- Lindsay has not adequately planned for Public Safety training and equipment needs

Effect:

Without proper financial and operational practices, the City’s current practices could lead to misappropriation of funds and other fiscal irregularities.

Recommendation:

We recommend that the City develop a management action plan to address the issues stated by the California State Auditor.

Management’s response:

As of January 2023, the City has addressed all issues stated within State Auditor Report No. 2020-804. The City underwent an extensive review of its policies, procedures, and practices and addressed all findings within Report No. 2020-804 via a Corrective Action Plan and is considered by the State Auditor to have ‘Fully Implemented’ all recommendations within the report. It is also important to note that effective October 01, 2023, the State Auditor will be removing the local government high-risk dashboard from its website.

CURRENT YEAR RECOMMENDATIONS (CONTINUED)

Significant Deficiencies

2022-004 Finding – Segregation of duties for cash receipts at the park and recreation department:
During our review of the City cash receipts process at the park and recreation department, we noted that the cash receipts were given to the department head only. The department head prepares and brings the deposits to the Finance department without proper documentation.

Effect:

Without proper internal controls over cash receipts processes, there is an increased risk that collected cash is not handled properly, and there is an increased risk of misappropriation of funds.

Recommendation:

We recommend that the City ensure there are sufficient controls to monitor cash receipts processing at the park and recreation department.

Management's response:

The City agrees with this recommendation. Improving control over cash receipts at all cash locations, especially its Recreation, Wellness and Aquatic Center is crucial to prevent errors, fraud, and loss of funds. In August of 2022, following the departure of the former Director of Recreation Services, the City amended its Finance and Accounting Policies and Procedures, specifically its 'Cash Handling Procedures' across all departments to improve its internal controls over cash receipts processes. Said amendment to the policy elaborated step by step how receipts should be handled, documented in the ledger, and delivered to the Department of Finance in a way that ensures checks and balances. The City plans to acquire a financial software for the Recreation, Wellness and Aquatic Center in the coming fiscal year to improve standard operating procedures, cash handling processes, receipts documentation, and ensure regular and accurate reconciliation. The City understands that continuous monitoring of cash handling controls are essential to maintain the integrity of cash receipts at all locations especially the Recreation, Wellness and Aquatic Center. The City remains committed to continuously improving and updating its Finance and Accounting Policies and Procedures to reduce the risk of misappreciation of funds.

2022-005 Finding – Lack of control over cash receipts at all cash collection locations:

During our review of the City cash receipts process, we noted that all locations issue paper receipts that are not logged properly per rules regarding the use of sequential paper receipts. In addition, building department and parks receipts are not reconciled with the City's general ledger in any way.

Effect:

Without proper internal controls over cash receipts processes, there is an increased risk that collected cash is not handled properly, and there is an increased risk of misappropriation of funds.

Recommendation:

We recommend that the City implement procedures for the accounting department to obtain reports directly from each program and reconcile the amounts from these reports to the revenues posted in the City's general ledger.

Management's response:

The City agrees with this recommendation. Improving control over cash receipts at all cash locations, especially those departments who handle large volumes of cash is crucial. Similar to the above 2022-004, in August of 2022, the City amended its Finance and Accounting Policies and Procedures, specifically its 'Cash Handling Procedures' across all departments to improve its internal controls over cash receipts processes. Said amendment to the policy elaborated step by step how receipts should be handled, documented in the ledger, and delivered to the Department of Finance in a way that ensures checks and balances. The City understands that the current method where paper receipts are issued is not ideal and plans to acquire a financial software in the near future to automate cash handling processes, track transactions, and provide real-time monitoring and reporting. The City's current financial software has been in place for the last 25 years, the City understands that the existing software has very limited capabilities and does not meet the City's current needs. Acquiring and implementing a new city-wide financial software can cost millions of dollars and takes a long period of time to build out and implement, however this is something that the City feels is essential to avoid the risk of misappropriation of funds. The City remains committed to continuously improving and updating its Finance and Accounting Policies and Procedures to reduce the risk of misappropriation of funds.

STATUS OF PRIOR YEAR RECOMMENDATIONS

None reported in the prior fiscal year by the predecessor auditor.



FINANCE AND ACCOUNTING POLICIES AND PROCEDURES

UPDATED: MM/DD/YYYY

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CITY OF LINDSAY: FINANCIAL MANAGEMENT AND ACCOUNTING POLICIES

The City of Lindsay has adopted accounting, investment, fixed asset, financial, capital improvement and budget policies to provide the framework for managing the City's financial resources. These policies are designed to:

- Contribute to the confidence in the City operations and the commitment of the City Council, City Manager and staff to sound financial practices.
- Save time and energy of the City Council and appointed officials. Once certain decisions are made at the policy level, those policies may be applied to individual situations and issues.
- Direct attention of the City Council, City Manager, department heads and the public to the City's total financial condition and link day-to-day operations with long-range financial planning.
- Contribute to the stability and expeditious handling of the City's financial affairs. The City Council, City Manager and department heads may change over time, but sound financial accounting policies will be in existence to guide whoever holds these positions.
- Become part of an established Succession Plan that requires a copy of this Policy and Procedures Manual and all other City Documents, and current Legal Requirements and Mandates and applicable updates, be presented to new administrative staff upon hire as well as presented to Council members, whether incumbent or new to the dais, after each election period.

ARTICLE I: ACCOUNTING POLICIES

Section 1. ACCOUNTING STANDARDS

The annual budget and audited financial statements of the City of Lindsay are prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applicable to government entities. Generally Accepted Accounting Principles (GAAP) are national accounting standards adopted by the Governmental Accounting Standards Board (GASB). GASB is the nation-wide accepted standard body for establishing governmental accounting and financial reporting principles and practices.

The City also complies with Financial Accounting Standard Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) of the Committee on Accounting Procedure.

Lindsay's budget and audited financial statements present the financial position of the City government and its blended component unit. Blended component units are entities for which the City is considered to be financially accountable. Pursuant to ABx 126, the City of Lindsay serves as the Successor Agent of the former Lindsay Redevelopment Agency and is responsible for the "wind-down" of that agency's affairs in conjunction with a separate Oversight Board. The City does maintain a unique fund within its treasury designated as the Redevelopment Obligation Retirement Fund (RORF) and shall report all activity within this fund on its annual financial statements for each year ended June 30th until all assets have been legally liquidated and all debt fully retired.

Section 2. MEASUREMENT FOCUS

The accounting and reporting treatment applied to a Fund is determined by its measurement focus. All Governmental Funds (General Fund, Special Revenue Funds and Debt Service Funds) are accounted for on a flow of current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Governmental Fund operating statements and budgets present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

All Proprietary Funds (Internal Service Funds and Enterprise Funds) and all Fiduciary Funds are accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with this activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary Funds operating statements present increases (revenues) and decreases (expenses) in net total assets.

Section 3. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the City's financial statements. The Basis of Accounting relates to the timing of revenue recognition in the City's financial statements regardless of the Measurement Focus applied. The accounting basis in the City's annual budget is the same as the accounting basis used in the City's annual audited statements.

Governmental Fund Types (Tax-Supported Activities)

The modified accrual basis of accounting is used by the City of Lindsay to apply revenues and expenditures to its Governmental Funds. Under the modified accrual basis of accounting, revenues are recorded when they become measurable and available to pay for expenditures of the current period. "Measurable" means that the amount of the transaction can be determined. "Available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the providers have been met.

Taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to the accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City of Lindsay considers all revenues available if they are collected within sixty (60) days after the end of the fiscal year. Revenues that are accrued include property taxes, franchise fees, interest revenue and charges for service. Sales taxes and motor vehicle license fees collected and held by the state at year end on behalf of the City are also recognized as revenue. Licenses, permits and fines are accrued when received as they are not measurable until received in cash. Investment earnings are recorded as earned. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports deferred revenue on its balance sheet. Deferred revenues arise when potential revenue meets the asset recognition criteria but does not meet both the “measurable” and “available” revenue criteria for recognition in the current period. Deferred revenues also arise when the City receives resources before it has a legal claim to them, such as when grant monies are received prior to the incurring of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the City has a legal claim to resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary Fund Types (Business-Type Activities) and Fiduciary Fund Types (Resources Held in Trust)

Expenditures are generally recognized in Enterprise Funds, Internal Service Funds, Private Purpose Trust Funds and Agency Trust Funds under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due. Certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Section 4. ASSETS, LIABILITIES, AND FUND EQUITY

Cash and Investments

Cash and cash equivalents represent the City’s cash bank accounts including, but not limited to, certificates of deposit, money market funds and cash management pools for reporting purposes. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents.

The City maintains a cash and investment pool that is available for use by all Funds. Interest earnings as a result of this pooling are distributed to the appropriate funds based on month-end cash balances in each fund. Cash is divided into three risk levels in accordance with standards that have been developed by the Governmental Accounting Standards Board (GASB) in Statement No. 3:

- Category 1 Investments. Insured or collateralized with securities held by the City of Lindsay or by its agent in the City’s name.
- Category 2 Investments. Collateralized with securities held by the pledging financial institution’s trust department or agent in the City’s name.
- Category 3 Investments. Uncollateralized. This includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the City of Lindsay’s name.

In accordance with Governmental Accounting Standards Board (GASB) 31, all City investments are stated at fair value. Fair value is based on the quoted market prices as of the valuation date. Aside from investments clearly identified as belonging to a specific fund, any unrealized gain/loss resulting from the

valuation will be recognized within the General Fund to the extent cash and investments' balance exceeds the cumulative value of those investments subject to Governmental Accounting Standards Board (GASB) 31.

The fair value of the City's investment in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 is reported in the City's financial records and financial statements at amounts based on the pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Internal Controls

The internal control structure of the City of Lindsay is designed to ensure that the assets of the City are protected from loss, theft, or misuse. It is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls within the City of Lindsay address the following issues:

Control of Collusion

Collusion occurs where two or more employees work in conjunction to defraud the City. The City has an organizational structure and operational policies and procedures that are designed to prevent collusion which is clearly defined within the Finance and Accounting Policies and Procedures Manual.

Separation of Transaction Authority from Accounting and Record Keeping

The City has segregated job duties so that the person who authorizes or performs the transactions is different from the person who records or otherwise accounts for the transaction. The City's Finance Department has divided duties and record keeping among employees with a Finance Director overseeing day-to-day operations.

Custodial Safekeeping

Funds collected by the City are deposited into the bank each day. Any small amounts of cash or checks held at the end of the day are placed in a locked cabinet within a fire-safe locked vault. Securities purchased from any bank or dealer (including appropriate collateral) for short-term or long-term cash investments are placed with an independent third party for custodial safe keeping.

Clear Delegation of Authority to Subordinate Staff Members

Staff members in the Finance Department have a clear understanding of their authority and responsibilities to avoid improper actions. Clear designation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.

Written Confirmation of Transactions for Investments and Wire Transfers

Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions are supported by written communications the Finance Director and approved by the City Manager. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures. The Finance Director may make transfers between accounts within the

same banking institution but must have an additional signature, either the City Manager or the Mayor, to move money via wire out of any City account. A log shall be kept of all wire transfers which shall include all pertinent information including a copy of the bank authorization.

Wire Transfer Agreement with Lead Bank

The City shall develop a wire transfer agreement with its bank that addresses controls, security provisions and responsibilities of each party making and receiving wire transfers.

Accounts Receivable

Billed but unpaid services provided to individuals or non-government entities are recorded as “accounts receivable.” The Proprietary Funds include a year-end accrual for services through the end of the fiscal year, which have not yet been billed. Accounts receivable are reported net of an allowance for uncollectible accounts in the Enterprise Funds.

Compensated Absences

It is the City’s policy to permit employees to accumulate earned (but unused vacation), sick pay and compensatory time benefits up to the limits imposed in the City of Lindsay’s Personnel Rules and Regulations and as further addressed in each bargaining unit’s MOU. Vested or accumulated vacation, holiday and compensatory time that is expected to be paid with expendable available financial resources is reported as an expenditure and fund liability in the Governmental Fund that will pay for it.

Long-Term Liabilities

The government reports long-term debt of Governmental Funds at face value. Long-term liabilities for all Governmental Funds and Fiduciary Funds do not affect net current assets and are not included on their respective balance sheets in previous years.

Long-term liabilities of proprietary and non-expendable trust funds are accounted for in the respective funds.

Inventory

Inventory is valued at the cost that approximates market, using first-in, first-out (FIFO) method. The consumption method is used to account for the inventory of Governmental Funds including the General Fund, Special Revenue Funds and Capital Projects Funds. The value of the City’s office supply inventory is not considered material and as a result, no inventory value is shown in the City’s financial statements or in the annual budget.

Bond Discounts

In Governmental Funds, bond premiums, discounts, and issuance costs are recognized in the current period. Bond discounts are presented as a reduction of the face amount of the bonds payable. Issuance costs are reported as an expenditure of the period. For Proprietary Funds, bond premiums and discount, with issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

Called Developer Bonds

Revenues from called developer bonds arising from contract defaults are deferred and recognized as revenues when the related costs to complete the project are incurred by the City.

Unappropriated Fund Balance and Unreserved Cash and Investments

The Unappropriated Fund Balance in Governmental Funds and Unreserved Cash and Investments balances in Proprietary Funds indicate that portion of Fund Equity which is available for appropriation in future periods. Restricted Fund Balances or Reserved Fund Equity indicates that a portion of Fund Balance or Fund Equity has been segregated for specific purposes or is not available for appropriation. Reservations of retained earnings are limited to outside third-party restrictions.

Contributed Capital

Contributed capital are non-cash assets recorded in Enterprise Funds and primarily represents infrastructure such as water lines, sewer lines or assets received from other funds, developers, or customers. Contributed capital designations in the Enterprise Funds cannot be spent for operating or capital needs.

Uncollectible Receivables

The Director of Finance, or his/her designee, shall quarterly reconcile all receivable ledgers, i.e. Utility Billing, Loans Receivable, Miscellaneous Billings Receivable, and any other receivables that may be due to the City to ensure that payments are being received and recorded properly. Unpaid utility charges on accounts that have been closed for more than 3 months shall be notified, via a certified letter that they will have 10 days in which to clear the debt or the amount shall be turned over to the City's collection agent. In the event a receivable is deemed uncollectible for a period of six months or longer, the amount is to be written off by relieving the receivable line to the fund balance line in the applicable fund. Every effort shall be made to achieve either collection of the original charges or debt agreement, including the placing a legal lien upon the owner's property and foreclosure or repossession of tangible personal property used to collateralize the loan. In the event of foreclosure of property, the receivable amount shall be relieved, and the amount transferred to Land Held for Resale with the corresponding Deferred Revenue and Fund Balance lines adjusted accordingly. In the event of repossession of tangible property pledged toward collateral per the recorded debt agreement, the receivable shall be relieved, and the fair market value recorded to Fixed Assets Inventory to be sold as surplus property. In the event of a note receivable being deemed uncollectible after a period of one year and there is no collateral attached to the debt agreement and the debtor is not willing or able to enter into a restructured debt agreement, the amount of the receivable shall be relieved, and the amount charged to the Bad Debts line applicable to the Fund from whence the financing originated. The City shall be prudent in providing financing to business owners or home owner applicants to ensure that all debt agreements are of the highest standards and contain provisions to protect the City's interest in the event of default.

Taxes and Other Significant Revenues.

Property Taxes

Tulare County is responsible for the assessment, collection and apportionment of property taxes for all taxing jurisdictions. Property tax is imposed on real property (land and permanently attached improvements such as buildings) and tangible personal property (moveable property) located within the state. The California property tax is ad valorem, based on the value of the property rather than on a

fixed amount or benefit to the property or persons. Intangible assets and rights are not subject to taxation except to the extent that they are necessary to put real property interests to beneficial or productive use. Taxable property includes land, improvements, and other properties that are accounted for on the property tax rolls, which are primarily maintained by the Tulare County Assessor. Tax rolls contain an entry for each parcel of land, including parcel number, owner's name and value.

The amount of the tax is based on an annually determined assessed valuation. The property tax is paid to the county tax collector and allocated to local taxing agencies. The property tax is guaranteed by placing a lien on the real property. For this reason, types of properties are distinguished as secured or unsecured.

Certain special exemptions to the standard assessment rules are provided in the State Constitution and state law. These exemptions include federal and state-owned property, municipal owned property except property outside the legal boundaries of the agency, home-owners property tax exemption, property owned, irrevocably dedicated to religious, hospital, cemeteries and schools and the California Air Patrol; Williamson Act; disabled veterans; and other exemptions.

Property taxes are levied in equal installments on November 1 and February 1. They become delinquent respectively on December 10 and April 10. The lien date is March 1 of each year. Property taxes are accounted for in the City of Lindsay's General Fund; revenue collected and remitted to the City acting as the Successor Agency is deposited into the RORF Fund. The City is permitted by Article XIII A of the State of California Constitution (known as Proposition 13) to levy a maximum of \$1.00 per \$100 of full cash value. Property tax revenues are recognized when they become measurable and available to finance current liabilities. The City considers property taxes as available if they are collected within 60 days after the end of the fiscal year. Property tax on the unsecured roll are due on the March 1 lien date and become delinquent if unpaid on August 31. However, unsecured property taxes are not susceptible to year-end accrual. Taxes on individual pieces of property may be delinquent up to five years before the property is sold for delinquent taxes.

Under state statute, the County Treasurer, acting as a tax collector, must settle and disburse all current tax collections to all taxing units by the end of March following the taxing year. Delinquent taxes are collected throughout the year and dispersed to the taxing units on a routine basis.

Sales and Use Taxes.

California sales tax is imposed on retailers for the privilege of selling tangible personal property. A portion of the tax is a state tax and a portion is locally imposed. The tax base for the sales tax is the retail price of tangible personal property. Tangible personal property is any material asset, such as household goods and business equipment which is readily moveable and not permanently attached to real property. Sales tax applies to a transaction if (1) the seller's registered place of business in California participates in the sale and (2) title to the goods passes to the customer within the state.

The use tax complements the sales tax. It is imposed on the storage or use, or other consumption in California of property purchased from a retailer in cases where the sales tax is not collected. While sales tax is imposed on the seller, the use tax is imposed on the purchaser and at the same rates as the sales tax. The use tax was first imposed in 1935, in order to discourage buying from out of state solely for the purpose of avoiding state sales tax, and thereby placing California retailers at a competitive disadvantage.

Sales and use taxes are collected by the State Board of Equalization and remitted to the City quarterly. Sales and use taxes are recorded as revenues when received by the State Board of Equalization.

Franchise Fees.

Franchise fees collected by Southern California Edison and The Gas Company are remitted to the City each year on April 15. Cable television franchise fees from Charter Cable are sent to the City quarterly.

Transient Occupancy Fees.

Transient Occupancy Fees are assessed by local motels and remitted to the City on a quarterly basis.

Financial Reports.

The City staff prepares appropriate monthly financial statements reflecting the operations of individual Funds for internal use by the City Council, City Manager, department heads and the general public. The City shall adhere to a policy of full and open public disclosure of all financial documents.

Independent Audits.

An independent audit of the City's financial statements is conducted each year by an independent Certified Public Accounting firm. The City also participates in a number of federal and state assisted grant programs, which are subject to annual financial, and compliance audits. The Tulare County Association of Governments (TCAG) sends its auditor to conduct the annual transportation audit.

ARTICLE II: INVESTMENT POLICY

Section 1. INTRODUCTION

Investment policies and practices of the City of Lindsay are based upon state law, City ordinances, Generally Accepted Accounting Principles (GAAP), prudent money management principals and the “prudent person” standard (Civil Code Section 2261, et. seq.). The City has five primary goals in the investment of its public funds. They are:

Rate of Return.

Achieve a reasonable rate of return while minimizing the potential for capital losses arising from market changes or issuer default.

Daily Cash Flow.

Meet the daily cash flow needs of the City of Lindsay including the debt obligations under the City’s management.

Compliance.

Comply with City ordinances and the laws of the State of California regarding investment of public funds.

Investment Records.

Maintain accurate and complete investment accounting records.

Financial Reports.

Prepare reliable financial reports of the investment portfolio for the City Manager, City Council and the public.

Section 2. SCOPE

The City’s investment policies apply to all funds under the direct authority of the City of Lindsay. These funds include, but are not limited to, the City’s revenues associated with the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Capital Project Funds, Private-Purpose Trust Funds, Agency Funds, proceeds from bond sales and any other funds under the City’s control.

Section 3. POOLING OF FUNDS

Except for cash in certain restricted and special funds, the City of Lindsay consolidates cash balances from all funds to maximize investment earnings. The City schedules its collection of receipts, deposits of funds and disbursements of monies to ensure maximum availability of cash for temporary investment purposes. Investment income is allocated to the various Funds based on their respective participation and in accordance with Generally Accepted Accounting Principles (GAAP).

Section 4. INVESTMENT OBJECTIVES

The primary objectives (in order of priority) of City investment activities are the safety of principal and preservation of capital, liquidity, and yield.

Safety of Principal and Preservation of Capital.

Safety and principal and preservation of capital are the foremost objectives of the investment program. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective is to mitigate credit risk and interest-rate risk.

Credit Risk.

The City of Lindsay will minimize credit risk, the risk of loss due to the failure of the security issuer or backer by:

- Limiting investments to the safest type of securities.
- Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with whom the City of Lindsay will do business.
- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.

Interest Rate Risk.

The City of Lindsay will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities or with state and local government investment pools.

Liquidity.

The investment portfolio remains sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrently with the City's cash needs to meet anticipated demands (static liquidity). A portion of the portfolio also may be placed in money market mutual funds or Local Government Investment Pools (LGIP's) which offer either same-day or next-day liquidity. Furthermore, since all possible cash demands cannot be anticipated, the portfolio shall consist largely of securities with active secondary or resale markets (dynamic liquidity).

Yield.

The investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs of the City. Return on investment is of secondary importance compared to the safety and preservation of capital and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

Loss of Principal.

A security with declining credit may be sold early to minimize loss of principal.

Security Swap.

A security swap would improve the quality, yield, or target duration in the portfolio.

Liquidity.

Liquidity needs of the portfolio require that the security be sold.

Section 5. STANDARDS OF CARE

Prudence.

The standard of prudence used by investment officials is the “prudent” person standard (Civil Code Section 2261, et. seq.) and is applied in the context of managing an overall investment portfolio. Investment officers acting in accordance with written procedures and this overall investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and sale of securities are carried out in accordance with the terms of this policy.

Investments are made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Public Trust, Ethics and Conflicts of Interest.

Investment officials recognize that the investment portfolio is subject to public review and evaluation. The overall program is designed and managed with a degree of professionalism that is worthy of the public trust.

Officers and employees involved in the investment process refrain from personal business activity that could be in conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City of Lindsay.

Delegation of Authority.

Authority to manage the City’s investment program is granted to the City Manager and his or her designee, hereinafter referred to as the “Investment Officer.” Responsibility for the operation of the investment program is hereby delegated to the Investment Officer, who shall act in accordance with this investment policy.

Section 6. AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

The City transacts business with banks and savings and loans, and with investment securities dealers in compliance with the City’s investment policy. The Finance Department will maintain a list of financial institutions authorized to provide investment services. All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements.
- Proof of National Association of Securities Dealers (NASD) certification.
- Proof of state registration.

- Completed broker/dealer questionnaire.
- Certification of having read and understood and agreeing to comply with the City of Lindsay’s investment policy. The City on an annual basis submits a copy of the current investment policy to all financial institutions approved to do business with the City. Confirmation of receipt of this policy is considered evidence that the dealer has read and understands the City’s investment policy and will recommend and execute only transactions suitable for and in compliance with the City’s investment policy.

In selecting financial institutions for deposit or investment of City funds, the creditworthiness of the institutions will be considered. The City will continue to monitor financial institution’s credit characteristics and financial history throughout the period in which City funds are deposited or invested. The City is authorized by the City Council to conduct investment transactions with the following institutions. Investment transactions with firms, other than those appearing on this list, are prohibited.

State of California Government.

Office of the State Treasurer, Local Agency Investment Fund (LAIF).¹¹

Banks.

Bank of the Sierra, U.S. Bank, and Bank of America.

Section 7. SUITABLE AND AUTHORIZED INVESTMENTS

The City is authorized by California Government Code Section 53600, et. seq. to invest in specific types of securities. Section 43601 of the Government Code sets limits on the type investments that may be in the City portfolio.

¹ Due to the state budget and fiscal problems, some questions have been asked regarding the City’s investment funds deposited in the Local Agency Investment Fund (LAIF). On May 7, 2003, Philip Angelides, State Treasurer sent a letter to cities and counties throughout the State of California. The Letter states:

“I am aware of concerns expressed on behalf of Local Agency Investment Fund (LAIF) participants as to the relationship of this program to the State’s current fiscal difficulties.

“In addressing concerns regarding the safety and liquidity of your deposits in the Local Agency Investment Fund, I would like to remind you that Government Code Section 16429.3 specifically Excludes your LAIF deposits from being transferred, loaned, impounded or seized by any State Agency or Official.

“As your trustee for LAIF funds, I would oppose any statutory change in regard to the program and I will support the intent of the statute that protects your funds.”

- 30% in Medium Term Notes.
- 40% in Negotiable Certificates of Deposit.
- 40% in Bankers Acceptance Notes, not to exceed 180 days in maturity. 30% in Commercial Paper, not to exceed 270 days.
- 100% in U.S. Government Treasury Obligations. 100% in U.S. Government Agency Debt Issues. 100% in Pass-Book Savings Deposits.

The City Council has established further limits on the types of securities in which the City may invest its idle cash. Any investment security (except investment of bond proceeds as explained in the next section) not listed below is not a valid investment for the City of Lindsay.

Local Agency Investment Fund (LAIF) Investments.

LAIF is a special fund of the State of California Treasury that local agencies may use to deposit funds for investment. Investments by the State Treasurer for City funds in LAIF are authorized by the City Council. State law prohibits LAIF from impounding any depositor's funds and prohibits the fund from ever declaring bankruptcy. Total investments of any one public agency in LAIF may not exceed \$50 million. Public entities are limited to 15 transactions per month per account. A minimum transaction is \$10,000.

United States Government Debt Obligations.

These investments would include U.S. Government direct obligations such as Treasury bills, bonds, notes and other certificates of indebtedness where the full faith and credit of the United States are pledged for payment of principal and interest.

United States Government Agency Debt Issues.

These investments include obligations, participations or other instruments of, or issued by, a Federal Agency or a United States government-sponsored enterprise, including obligations of the Federal Home Loan Bank (FHLB) or Federal Farm Credit Bank (FFCB) or other obligations or other instruments issued by, or fully guaranteed as to principal and interest by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association (FNMA). While these U.S. Government debt issues are not backed by the full faith and credit of the United States, they do in fact have de facto backing from the federal government, and it would be most unlikely that the government would let any of these agencies default on its obligations.

Repurchase Agreements.

These agreements would be limited to U.S. Government or its authorized Agencies' securities described in Number (2) and Number (3) above, provided that they are held less than a year.

Certificates of Deposit (CD).

A Certificate of Deposit is a time deposit with a specific maturity evidenced by a certificate. Certificates of Deposit must be issued through financial institutions insured by the Federal Deposit Insurance Corporation (FDIC), a federal agency of the United States Government that insures bank deposits up to \$250,000 per account.

Pass Book Savings Account Demand Deposits.

Savings accounts are approved by the Lindsay City Council provided they are maintained only with banks and savings and loan institutions which are insured by the Federal Deposit Insurance Corporation (FDIC), a federal agency of the United States Government that insures bank deposits up to \$250,000 per account.

Overnight Repurchase Agreements.

The City is authorized with City Council approval to set up a “sweep account” and to enter into an overnight repurchase agreement with an authorized bank to sweep cash from its checking accounts and other appropriate accounts to earn overnight interest on the funds in these accounts.

Zero Coupon Bonds.

Zero Coupon Bonds may be purchased only for purposes of bond defeasance.

Section 8. INVESTMENT BOND PROCEEDS

The City directs the investment of proceeds on bonds or similar debt instruments issued as instructed in the bond indenture or similar investment documents. Securities authorized by the bond indenture or similar investment documents that are not authorized by the City’s investment policy will be considered approved when the bond indenture or similar investment document is approved by the City Manager or City Council. Bond reserve funds, escrow funds and any funds approved by the City Council may be invested in securities with maturity limits of five years or an appropriate longer period.

Section 9. INVESTMENT PARAMETERS

Diversification.

Other than funds invested in U.S. Government debt obligations and the State of California Local Agency Investment Fund (LAIF), the City’s remaining investment portfolio is diversified to avoid incurring unreasonable and avoidable risks regarding specific security types or individual financial institutions. Diversification is dividing investment funds among a variety of securities offering independent returns. LAIF is a special fund in the State Treasury which local agencies may use to deposit funds for investment. State law prohibits LAIF from impounding any depositor’s funds and prohibits the fund from declaring bankruptcy.

Maximum Maturities.

Section 53601 of the California Government Code allows the investment of City surplus funds in specified types of securities provided that, at the time of investment, the securities have a maturity of five years or less, unless the legislative body has granted expressed authority to make that investment either specifically, or as a part of the Investment Policy approved by the legislative body, no less than three months prior to the investment. It is herein authorized as part of the current investment policy to invest in securities with an estimated average life of five years or less. It is also authorized to invest in securities with a maturity greater than five years, but only when authorized by the City Council no less than three months prior to the investment.

Risk Tolerance.

The City recognizes that investment risks can result from issuer defaults, market price changes or various technical complications leading to temporary liquidity. Portfolio diversification is employed as a

way to control risk. The City displays prudence in the selection of securities as a way to minimize default risk. No individual investment transaction is undertaken which jeopardizes the total capital position of the overall portfolio. Funds invested in LAIF are considered consistent with this policy. In accordance with Governmental Accounting

Standards Board (GASB) Statement No. 3, the City's investment risk is divided into three categories:

- Category 1. Securities that are insured and registered or securities held by the entity or its agent in the City's name.
- Category 2. Securities that are uninsured and registered with securities held by by the pledging financial institution's trust department or agent in the City's name.
- Category 3. Securities that are uninsured and unregistered with securities held by the counter party, or by its trust department or agent, but not in the entity's name. This includes the portion of the carrying amount of any underlying securities.

Equal Opportunity.

The City does not knowingly invest funds in an institution that practices or supports, directly or indirectly through its actions, discrimination based on race, religion, color, creed, nationality or ethnic origin, age, sex or physical disability.

Prohibited Investment Activities.

This policy specifically prohibits trading securities for the sole purpose of speculating on the future direction of interest rates. It further prohibits investing in common stocks, using reverse repurchase agreements, using derivative products, buying mortgage derived interest only strips, purchasing investments using margin accounts and/or leveraging of the City's investment portfolio.

Section 10. SAFEKEEPING AND CUSTODY

Custody.

To protect against potential losses by the collapse of individual securities dealers, all securities owned by the City shall be held in safekeeping by a third party bank trust department acting as agent for the City under the terms of custody agreement executed by the bank and the City. No outside broker/dealer or advisor may have access to City funds, accounts or investments, and any transfer of funds to or through an outside broker/dealer must be approved by the City Council.

Internal Controls.

A system of internal controls has been established to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, or unanticipated changes in financial markets. Internal controls deemed most important include control of collusion, separation of transaction authority from accounting and record keeping, custodial safekeeping, avoidance of physical delivery of securities, clear delegation of authority to subordinate staff members, written confirmation of transactions for investments and wire transfers and development of a wire transfer agreement with the lead bank and third-party custodian.

Delivery vs. Payment.

All trades where applicable are executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities are held by a third-party custodian as evidenced by safekeeping receipts.

Section 11. REPORTING RQEUREMENTS

The City Treasurer shall submit quarterly investment reports in accordance with California Government Code Section 53646 The report(s) shall include the following:

- Statement indicating that all cash and investments are in conformity with this investment policy.
- Statement indicating that there are sufficient funds to meet the expenditures for the next six months.
- Copy of the most recent statement or statements from the institutions in which the City has funds invested.

Section 12. INVESTMENT POLICY ADOPTION AND REVIEW

The City's independent certified public accountants annually review and make recommendations regarding the City's investment policies to the City Manager and the City Council. In accordance with Senate Bill 564 and Senate Bill 866, effective January 1, 1996, the City staff bring forward each year the City's Investment Policy for review by the City Council.

ARTICLE III. PROCUREMENT POLICY

Section 1. INTRODUCTION

This Procurement Policy document is intended to serve as a reference tool for City staff and departments. It details the policies and procedures of the City's purchasing authority. It outlines the procurement process for projects using state and/or federal funds, clarifies the responsibilities of individual departments and staff, and explains the legal requirements affecting the City.

This guide will help City personnel familiarize themselves with procurement processes and enable them to timely and efficiently obtain the goods and services they need while maintaining compliance with all local, state, and federal funding sources.

This guide is a supplement to the existing Finance and Accounting Policies and Procedures created to enhance the reference material as regards any State and/or Federally funded grant project to ensure staff is educated regarding stricter procurement guidelines, change order requirements and records retention policies applicable to grant funding. In the event of any duplicative sections in the FMPPM Purchasing Section and guidelines as written in this Procurement Policy, the stricter guideline shall always take precedent. As State and Federal funding agencies update their policies annually, this guide includes links to the applicable statute that shall be reviewed prior to the beginning of any project using Regional, State, or Federal funds. *(See related Attachment No. 1 – 5.)*

Section 2. AN OVERVIEW OF PROCUREMENT

Chapter objective: This chapter is an introduction to City of Lindsay purchasing process - its service processes, objectives, and ethical standards.

WHAT IS PROCUREMENT

Procurement is the process through which purchases are planned, solicitations issued, vendors selected, purchase orders issued, and goods or services are received.

The City of Lindsay desires to be both effective and efficient in purchasing with the goal of integrity woven throughout the process. Ethically purchasing goods and services with an emphasis on the best value for the City's dollar.

This is accomplished by ensuring that goods and services are of high quality, available when needed, not overpriced, and that taxpayers know that public funds are being spent wisely on its behalf and not for the personal benefit of government employees, officials, or their friends.

THE CITY'S PROCUREMENT SYSTEM

The City of Lindsay maintains a decentralized procurement system, which is under the authority of the City Manager or his/her designee(s) as the City Purchasing Agent (PA) established by the Purchases section of the City's Municipal Code. The decentralized purchasing is necessary due to the small amount of administrative staff and is functional because of the small size of the City. This means that the PA is ultimately responsible for procurement in general, but delegates his/her authority in limited measure to Department Heads within the City. The PA (or designee) therefore establishes leasing agreements; coordinates surplus sales; and most importantly, procures all commodities under \$50,000 and services under \$50,000 and certain construction services under \$200,000.

The City of Lindsay therefore does not run a centralized Internal Service Fund (ISF) but purchases are made directly by each department, as applicable, while payment and oversight of purchases are maintained through a centralized accounts payable process in the Finance Department, with each affected fund / department charged accordingly.

PROCUREMENT AUTHORITY

Local and State Laws

The City derives its authority from two sources: local and state laws. Local law encompasses City Councils' resolutions and directives. The two main sources giving authority to Procurement Services to purchase goods and services on behalf of the City are the Purchases Ordinance and the California Government Code.

Purchasing Ordinance

The Purchasing ordinance is contained within the City Charter, Article VIII, Section 8.11, "Purchases & Contracting" that was established in January 1996 to govern the activities of the City. In general, it established that the PA shall have the duties and powers prescribed by the laws of the State of California relating to City Purchasing Agents, Public Contract Code, and Government Code. A full copy of the Code Section is available in the Documents section of the City's website: www.lindsay.ca.us

State and Federal Laws

State laws that are applicable to various City procurement activities can be found in the Government Code, the Civil Code, and the Public Contract Code (including the California Uniform Public Construction Cost Accounting Act; CUPCCAA). Where pertinent, specific code sections are referenced throughout this policy. Federal law is applicable to City procurement activities any time federal funds are used for particular procurements, but specifically listed in Chapter 2 of this Policy.

PROCUREMENT OBJECTIVES AND STANDARDS OF CONDUCT

The City's procurement policy objectives and standards are applied to all transactions through the following values:

- Establish the legal authority of the procurement function within the City
- Simplify, clarify, and reflect the laws governing procurement
- Enable uniform procurement policies throughout the City
- Build public confidence in public procurement
- Ensure the fair and equitable treatment of everyone who deals with the procurement system
- Provide for increased efficiency, economy, and flexibility in public procurement activities and maximize to the fullest extent the purchasing power of the City
- Foster effective broad-based competition from all segments of the supplier community
- Safeguard the integrity of the procurement system and protect against corruption, waste, fraud, and abuse
- Ensure appropriate public access to contracting information
- Foster equal employment opportunities that are in line with legal requirements, in the policies and practices of suppliers and subcontractors wishing to do business with the City

The following ethics statements are applicable to all City employees and Council members who participate in the procurement process.

- City employees shall not obligate the City of Lindsay, financially or otherwise, by any means, including but not limited to purchase orders and contracts, when the employee has a personal, material, financial, or other interest in the obligation.
- Employees are prohibited from directly or indirectly soliciting or accepting any rebate, kickback, gift, gratuity, or favor for personal gain from any individual, corporation, or group.
- The City's employees, directors, appointed or elected officials, volunteers, agents or contacts shall neither solicit nor accept gratuities, favors, gifts, consulting fees, trips, or anything having a monetary value in excess of fifty dollars (\$50.00) from a vendor, potential vendor, family or employees of a vendor, contractor or parties to subcontractors.
- City employees, when purchasing an item(s) for personal use, must avoid the appearance of City representation. The employee shall pay all such purchases with his or her personal funds. When personal purchases are made under these circumstances, separate invoices or sales receipts must be issued by the supplier. Such invoices must bear the employee's name, home address, and phone number and may not be delivered to the City. Employees may not solicit, or accept, discounts, reduced prices, or other benefits from suppliers because of employees' position with the City.

PROCUREMENT PROCESS CONFLICTS OF INTEREST

There will be uniform and equitable application of the Standards of Conduct of the City of Lindsay involving all activities associated with the procurement of goods and services. This section also defines responsibility to identify and prevent real or apparent Conflicts of Interest.

Prior to the issuance of a procurement solicitation, informational and research contacts with prospective vendors may be made for the purpose of gathering data. However, in making such contacts, employees, officers, Council Members, and agents shall avoid any commitment or implication of a possible future award.

Accordingly, no request for complimentary services or supplies, which may imply an obligation on the part of the City, shall be made. Requests for testing services, product samples, or demonstrations, and free trips to examine vendor products are to be avoided.

Whenever procurement is in process (e.g., during the solicitation, evaluation, negotiation, and award phases) all contacts with potential contractors or vendors shall be made through the Purchasing Agent or designee(s).

Employees, officers, directors, and agents of the City are also subject to the laws of the City and State of California concerning conflicts of interest. Monetary penalties and, in some cases, criminal penalties are imposed by California law for violations. In addition, City employees are subject to discipline for a violation that could lead to, or result in, termination of employment in addition to consequences relative to the California Fair Political Practices Commission (FPPC).

Gratuities and Kickbacks

No member of the groups listed above will either solicit or accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub- agreements. Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City of Lindsay.

Personal Conflicts of Interest

No City employee, officer, Council member, agent or contact shall participate in the selection, award or administration of a third-party contract, or other agreement, if a real or apparent conflict of interest would be involved. Such a conflict of interest arises, whether real or apparent, when any of the following has a financial or other interest in the firm(s) considered or selected for award:

- An employee, officer, board member, or agent of the City;
- Any member of their immediate family, including but not limited to, husband, wife, father, mother, brother, sister, son, daughter, father-in-law, mother-in-law, son-in-law, and daughter-in-law;
- Their partner or business associate; or
- A company or organization which is about to employ any of the above.

Apparent or Appearance of Conflict is based on a reasonableness standard i.e. would a reasonable person with knowledge of all material facts believe there appears to be a conflict?

Organizational Conflict of Interest

An organizational conflict of interest may be real or apparent and arises where, because of other activities, financial interests, relationships, or contracts – a contractor is unable, or potentially unable, to render impartial assistance or advice to the City. Such a conflict exists in circumstances where the contractor’s objectivity is, or might be, impaired or where the contractor has an unfair competitive advantage.

Organizational conflicts lead to two (2) distinct problems - bias or an unfair competitive advantage.

- Bias is a situation where an advisor is placed in a position that creates an incentive to distort advice or decisionmaking.
- Unfair competitive advantage occurs when one contractor has information not available to other contractors in the normal course of business. For example, an unfair competitive advantage would occur when a contractor developing specifications or work statements has access to information that the City has paid the contractor to develop, or information which the City has furnished to the contractor for its work, when that information has not been made available to the public and to other offerors. Because this information enhances the contractor’s competitive position in the procurement process, it represents an unfair competitive advantage over other offerors.

The City’s procurement activities shall be structured to ensure full and open competition and to eliminate or minimize any unfair competitive advantage in circumstances where an organizational conflict, real or apparent, is presented. Appropriate structural steps are dependent upon the particular circumstances surrounding the procurement and might include: prohibiting the contractor from participating in the procurement, the bid process or in evaluation of bids, fully disclosing all information to all prospective offerors for a reasonable amount of time, adjustment of specifications to address any potential advantage, among others.

Confidential Information

No member of the groups listed above shall furnish advice or services to a firm which is bidding on or planning to bid on a contract with the City, or which is doing business presently with the City. No member shall use confidential information for his or her actual or anticipated personal gain, or the actual or anticipated personal gain of any other person related to them by blood, marriage, or by common commercial or financial interest.

Anyone failing to adhere to the above will be subject to any disciplinary proceeding deemed appropriate by the City of Lindsay.

Section 3. OVERVIEW OF CITY POLICIES AFFECTING PROCUREMENT

Chapter Objective: Provide an overview of City of Lindsay policies affecting the procurement of goods and services and provide instructions for compliance.

Bidding Policies

It is the City's policy to develop maximum competition for all purchases and to make awards based on the lowest responsive and responsible bid received. A responsive bidder is one who responds to all of the significant requirements outlined in the solicitation. A responsible bidder is one who is deemed to be capable of supplying the goods or services requested.

The City's goal through purchasing is to achieve the best overall value by securing goods and services at the lowest cost possible commensurate with quality and other relevant requirements.

Commodities (Materials & Equipment)

\$1 to \$10,000 – Administrative Process

Competitive bidding is not required. At the Buyer's discretion, the purchase can be made with the vendor recommended by the department. Many purchases can be made with purchase cards by the department staff members with the approval of the Department Head.

\$10,001 to \$32,999 – Administrative Process

Competitive bidding is not required, but approval by the PA is required by memo. After approval is granted, the purchase can be made with the vendor recommended by the department.

\$33,000 to \$98,999 – Written Quotes / Informational Bid Procedure

Competitive bidding is required. The respective department acquires approval from the PA and then issues a written Request for Quotation. The number of vendors contacted varies, depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder. In the case of capital asset purchase (defined as an asset anticipated to have a useful life of over 1 year and a purchase cost over \$15,000) the item must be on the adopted Capital Budget for the year or Budget Amendment as duly adopted prior to issuing the IFP/RFP.

Over \$99,000 – Formal Bids and RFPs / RFQs

Competitive bidding is required. Staff must acquire approval to go to bid or RFP / RFQ from City Council before issuing either a formal sealed Invitation for Bids (IFB) or Request for Proposals (RFP), depending on the type of procurement. The number of vendors contacted will vary depending on the dollar amount of the purchase and the time available, but three is preferred.

Award is made to the lowest responsive and responsible bidder, in the case of IFBs. In the case of RFPs, award is made in accordance with the evaluation criteria, terms, and conditions stated therein.

Typically, commodity items are procured using a bid process where an award is made to the lowest responsive and responsible bidder. However, in some instances an RFP may be used. The PA must gain authorization from City Council to approve the PO.

Services (Non-Construction)

\$1 to \$10,000 – Administrative Process

Competitive bidding is not required. At the Buyer's discretion, the purchase can be made with the vendor recommended by the department. Many purchases can be made with purchase cards by the department staff members with the approval of the Department Head.

\$10,001 to \$25,000 – Administrative Process

Competitive bidding is not required, but approval by the PA is required by memo. After approval is granted, the purchase can be made with the vendor recommended by the department.

\$25,001 to \$50,000 – Written Quotes

Competitive bidding is required. The respective department acquires approval from the PA and then issues a written Request for Quotation. The number of vendors contacted varies, depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder.

Over \$50,000 – Formal Bids or RFPs / RFQs (and contract)

Competitive bidding is required. Staff must acquire approval to go to bid or RFP / RFQ from City Council before issuing either a formal sealed Invitation for Bids (IFB) or Request for Proposals (RFP), depending on the type of procurement. Typically, the RFP process is used for services. The number of vendors contacted will vary depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder in the case of IFBs. In the case of RFPs, the award is made in accordance with the evaluation criteria, terms, and conditions stated therein.

Services above \$100,000 require City Councils' approval

When a service contract is utilized by multiple City departments, staff will be responsible for tracking encumbrances and obtaining Council approval as needed.

Services (Construction)

\$1 to \$10,000 – Administrative Process

Competitive bidding is not required. At the Buyer's discretion, the purchase can be made with the vendor recommended by the department. Many purchases can be made with purchase cards by the department staff members with the approval of the Department Head, subject to the Credit Card policy as outlined in the Financial Policy & Procedures Manual adopted October 2012, last update November 2013.

\$10,001 to \$25,000 – Administrative Process

Competitive bidding is not required, but approval by the PA is required by memo. After approval is granted, the purchase can be made with the vendor recommended by the department.

\$25,001 to \$50,000 – Written Quotes

Competitive bidding is required. The respective department issues a written Request for Quotation. The number of vendors contacted will vary, depending on the dollar amount of the purchase and the time available. Award is made to the lowest responsive and responsible bidder and approved by the PA.

\$50,001 to \$100,000 – Formal Bid

Informal bids will be solicited in accordance with the California Uniform Public Construction Cost Accounting Procedures (CUPCCAP) alternative bidding procedures. The award is approved by the City Council.

Contract requirements shall not be artificially divided to avoid bidding requirements.

Services above \$200,000 require City Councils' approval

Competitive bidding is required. Staff must acquire approval to go to bid or RFP / RFQ from City Council before issuing either a formal sealed Invitation for Bids (IFB) or Request for Proposals (RFP), depending on the type of procurement. Typically, the RFP process is used for services. The number of vendors contacted will vary depending on the dollar amount of the purchase and the time available, but three is preferred. Award is made to the lowest responsive and responsible bidder in the case of IFBs. In the case of RFPs, the award is made in accordance with the evaluation criteria, terms, and conditions stated therein.

Procurement Standards.

The City shall maintain a contract administration system which ensures contractors perform in accordance with the terms, conditions and specifications of their contracts or purchase orders.

The City shall maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award and administration of contracts. No employee, officer or agent of the City shall participate in selection, or in the award or administration of a contract supported by federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

- The employee, officer or agent;
- Any member of his or her immediate family;
- His or her partner; or
- An organization which employs, or is about to employ, any of the above, has a financial or other interest in or a tangible personal benefit from a firm considered for award.

The City's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Such a conflict will not arise where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value (\$50 or less). The City's standards of conduct provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the City.

The City shall not enter into a contract with a non-Federal entity has a parent, affiliate, or subsidiary organization that is not a state, local government or Indian tribe, unless the non-Federal entity maintains written standards of conduct covering organizational conflicts of interest. Organizational conflicts of interest mean due to relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

The City shall avoid acquisition of unnecessary or duplicative items. Consideration will be given to consolidating or breaking out procurements to obtain a more economic purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

The City shall consider entering into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.

The City shall consider using Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

The City shall consider using value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure its essential function is provided at the overall lower cost.

The City shall make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance and financial and technical resources.

The City shall maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection and the basis for the contract price.

The City shall use time and material type contracts only:

- After a determination is made that no other contract is suitable; and
- If the contract includes a ceiling price the contractor exceeds at their own risk.

The City alone shall be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to, source evaluation, protests, disputes and claims. These standards do not relieve the City of any contractual responsibilities under its contracts.

Competition.

The City will conduct procurement transactions in a manner providing full and open competition. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors developing or drafting specifications, requirements, statements of work, or invitations for bids or requests for proposals shall be excluded from competing for such procurements.

The City shall conduct procurements in a manner prohibiting the use of statutorily or administratively imposed in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criterion provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

The City shall have written procedures for procurement transactions. These procedures will ensure that all solicitations:

- Incorporate a clear and accurate description of the technical requirements for the material, product or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a brand name or equal description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and
- Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

The City shall ensure prequalified lists of persons, firms or products that are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. The City shall not preclude potential bidders from qualifying during the solicitation period.

Methods of Procurement to be Followed

The City shall use one of the following methods of procurement:

Procurement by Micro-Purchases.

Procurement by micro-purchase is the acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and adjusted periodically for inflation. As of the date of this ordinance, the micro-purchase threshold is \$10,000.

Procurement by Small Purchase Procedures.

Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies or other property that do not cost more than the simplified acquisition threshold as set by the Federal Acquisition Regulation at 48 CFR Subpart 2.1 (Definitions) and in accordance with 41 U.S.C. 1908 and periodically adjusted for inflation. If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources. As of the date of this ordinance, the simplified acquisition threshold is \$50,000.

Procurement by Sealed Bids (Formal Advertising).

Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is the lowest in price.

For sealed bidding to be feasible, the following conditions should be present:

- A complete, adequate, and realistic specification or purchase description is available;
- Two or more responsible bidders are willing and able to compete effectively for the business; and
- The procurement lends itself to a firm-fixed-price contract and the selection of the successful bidder can be made principally based on price.

If sealed bids are used, the following requirements apply:

- The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services for the bidder to properly respond;
- All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- A firm-fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- If there is a sound documented reason, any or all bids may be rejected.

Procurement by Competitive Proposals.

The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- Requests for proposals shall be publicized and identify all evaluation factors including relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- Proposals will be solicited from an adequate number of qualified sources;
- The City shall conduct technical evaluations of the proposal received and for selecting awardees;
- Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- The City may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

Procurement by Noncompetitive Proposals

Procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances applies:

- The item is available only from a single source;
- The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in a written request from the City; or
- After solicitation of multiple sources, competition is determined inadequate.

Contracting with Small and Minority Businesses, Women's Business Enterprises and Labor Surplus Area Firms.

The City shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises and labor surplus area firms are used when possible.

Affirmative steps include:

- Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources;
- Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises;

- Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses and women’s business enterprises;
- Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in subsections 6.b.(1) through (6) of this section.

Contracts Cost and Price.

The City shall perform a cost or price analysis in every procurement action exceeding the simplified acquisition threshold including contract modifications. The method and degree of analysis will be dependent on the facts surrounding each procurement situation. As a starting point, the City shall make independent estimates before receiving bids or proposals.

Costs or prices based on estimated costs for contracts under the Federal award will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for the City under Subpart E – Cost Principles of Title 2, Subtitle A, Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

Federal Awarding Agency or Pass-Through Entity Review.

The City shall make available, upon request of the Federal awarding agency or pass-through entity, technical specifications on proposed procurements where the Federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for purchase.

The City shall make available upon request, for the Federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposal or invitations for bids, or independent cost estimates when:

- The City’s procurement procedures or operation fails to comply with the procurement standards of Title 2, Subtitle A, Part 200, Subsection 200.324;
- The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation;
- The procurement, which is expected to exceed the simplified acquisition threshold, specifies a “brand name” product;
- The proposed contract is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or
- A proposed modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

The City may be exempted from the pre-procurement review in subsection 8.b. above if the Federal awarding agency or pass-through entity determines that its procurement systems comply with the standards set forth in Title 2, Subtitle A, Part 200, or the City self-certifies compliance with such standards if self- certification is permitted by the Federal awarding agency or pass-through entity.

Bonding Requirements.

For public projects, the City shall require bid guarantees, performance bonds, and payment bonds consistent with Title 2, Part 200, Section

200.325 of the Code of Federal Regulations.

Contract Provisions.

The City's contracts shall contain the provisions in Appendix II to Title 2, Subtitle A, Part 200 – Contract Provisions for non-Federal Entity Contracts Under Federal Awards, as applicable.

Suspended or Debarred Parties

City employees shall not enter into covered transactions with parties that are suspended or debarred or otherwise excluded from or ineligible for participation in Federal assistance programs and activities (2 CFR 200.213; 2 CFR 180).

EXCEPTIONS TO BIDDING

Sole Source/Brand Procurement

An exception may be granted based on two premises:

- Only a single company or organization can supply the needed product or service. As in the case of proprietary software maintenance, only the licensor of the product can provide support.
- Only a single “brand/model” will meet the department’s technical/functional requirements. For example, only the Brand X equipment is compatible with existing system requirements. Brand X is available through several distributors. Brand X would be considered a “sole brand” but not a “sole source” since it is available from many sources (distributors).

Sole source requests should not be made unless the department is confident that the request is reasonable, appropriately justified to meet the City’s requirements, and can withstand a possible audit. Sole source/brand purchasing minimizes or eliminates competition and should be avoided whenever possible.

If a department believes that only a specific make and model will meet its needs, it should include an objectively written explanation that details the unique features of the sole source/brand item, which states why these features are required. If other brands or models have been tested or used previously, the department should specify the brands or models tested or used, the dates they were tested or used, and why they are not acceptable.

A written justification, signed by the department head must be submitted for the PA’s review/approval. Department should provide the written justification in a standard memo format to the PA.

Use of Existing Agreement

An exception may be granted if the product/service is available through the utilization of another public entity’s contract (includes city, county, state, federal, school district, League of California Cities, California Communities Program, Federal GSA). The contract must have been competitively bid, be current within the last year, and be for the same product or service. It must also meet all City policies.

Standardization

When supplies, equipment, or services are uniformly adopted or otherwise standardized, or when an item is designated to match others in use by the City, the purchase may be exempt from bidding requirements or be made with limited competition to distributors of the manufacturer of the standardized item. Compatibility issues between differing technologies will also be considered for exception.

Emergencies

The item(s) purchased *are immediately necessary* for:

- The continued operation of the office or department involved; or
- Are immediately necessary for the preservation of life or property.

Technically, an emergency need is one that could not have been foreseen. Failure to submit a proper documentation on time does NOT constitute a valid emergency.

Contracted City Staff

The City of Lindsay is a small municipality that is dependent upon contracted professional staff to fill staff positions normally performed by in-house staff in larger agencies, such as City Engineer, City Planner, and Certified Operators as required by the State for water and/or wastewater treatment monitoring. Therefore, an exception to the normal bidding process may apply when using contracted professional staff in their role as the City representative, in their respective field, under their existing contract. The task order will still be subject to the authorization and approval process and thresholds laid out in Chapter 2 of this document.

Pre-Qualified List of Contractors

The City of Lindsay wants to promote fairness and equality in bidding but also guard public funds from waste by avoiding awards to unqualified or under-qualified contractors that may respond with a lowest bid on a public project. Given the rural nature of the City, the bidding pool of contractors may be insufficient to meet quality standards of certain City projects. By establishing a pre-qualified list of contractors for construction projects the City can manage this risk for appropriate projects. A contractor may be added to the list after going through a vetting process established by the PA or designee. Pre-qualified contractors will be added to a list maintained by the PA or designee(s) for a period of one year. When a project becomes available, and not subject to other bidding requirements from State or Federal funding sources, a contractor from the pre-qualified list may be selected from the list, subject to the authorization and approval process and thresholds laid out in Chapter 2 of this document.

Local Preference

Purchasing goods and services from local vendors is desired because it stimulates the Lindsay economy and recognizes that local vendors are valued members of our community. City staff, exercising good judgement by considering factors such as quality, previous performance, availability, and potential tax revenues to the City will, when practicable, give preference to purchasing and contracting locally. All other portions of this policy relative to normal competitive bidding will apply.

A local advantage cannot be considered for Federal funded contracts. For more information see Uniform Guidance 2 CFR Ch. II §200.319 (7)(b).

A local advantage cannot be considered for State funded contracts due to increasingly strict State requirements mirroring Federal standards (e.g. CalTrans funded programs).

Miscellaneous

- Formal competition has failed
- A procurement made from another unit of government
- Procurement of used item is advantageous
- Public utilities (Gov Code 4217)
- Legal services
- Medical services

UNAUTHORIZED PURCHASES

Except for emergencies or other authorized exceptions, no purchases can be made or are authorized until funds have been encumbered by the Finance Department.

Usually, an unauthorized purchase is discovered when a department submits documentation to cover a purchase (goods or services) that has already been delivered. Should a department make an unauthorized purchase, the department is issued a warning.

If a second violation occurs, a memorandum is sent stating that the Finance department will process the payment, after receipt of a written explanation.

If a third violation occurs, a memorandum is sent stating that the Finance department will not process the request / invoice. The department is advised approval must be sought from the City Council, or the employee can be personally responsible for the charges.

WRITTEN CONTRACTS

City staff will typically require a written contract when the cost of the services, and in some cases goods, exceeds \$50,000. New construction contracts are needed for projects exceeding \$100,000.

The City of Lindsay prefers to use a Standard Services Contract and will provide it to departments upon request. The standard contract has been approved by the City Attorney and Risk Management. Use of any contract other than the standard contract, or making material changes to the standard contract, will require City Attorney approval.

INSURANCE REQUIREMENTS

The City requires that contractors have, and maintain, certain types of insurance coverage when they enter into contractual agreements to perform services.

Insurance requirements vary depending on the type/scope of services provided. In certain cases, the contractor will need to provide insurance coverage, whether or not the contract requires the vendor to enter City property.

A Recommended Insurance Coverage Matrix has been developed to assist with the determination by Risk Management and is attached to this policy for reference.

Proof of insurance must be provided prior to the start of any work. The following are the most commonly required types of coverage.

- **Commercial General Liability:** The City should be added, by endorsement, as an “additional insured.”
- **Automobile Liability:** Is required if driving or traveling is required in providing the contracted services. If the vendor/contractor has employees, but no vehicles registered to the business (non-owned and hired automobile liability coverage should be provided).
- **Workers’ Compensation:** Contractors working on City property must first provide proof of Workers’ Compensation for all employees working on the job site. Requirement may be waived if the vendor is a sole proprietor/partner/corporate officer with no employees.
- **Professional Liability (Errors and Omissions):** is required for certain services – including but not limited to – appraisers, notaries, software programmers, auditors, lawyers, insurance agents, surveyors, dentists, doctors, counselors, engineers, etc.

PREVAILING WAGES

In accordance with Labor Code Sections 1770-1773, prevailing wages must be paid to all workers on a “public works” project (see Glossary for definition) when the project is over \$1,000. (*Reference Attachment No. 4 Davis-Bacon and Related Acts Policy.*)

When bidding on public works projects that exceed \$1,000, under the law, all bidders are expected to use the same wage rates. The California Department of Industrial Relations determines the prevailing rate of wages for specific geographic areas. Additional information is available at www.dir.ca.gov/dlsr/pwd/index.htm.

SURETY AND PERFORMANCE BONDS

Bid Bonds

The bid bond guarantees the City that the bidder will enter into the contract if it is awarded. Bid security shall be required for all construction work bids when the cost is estimated to exceed \$25,000. Bids must be accompanied by a Bid Security in the amount of not less than 10% of the amount bid in one of the following forms:

- Cash
- A cashier's check made payable to the City of Lindsay
- A certified check made payable to the City of Lindsay
- A bidder's bond executed by an admitted surety insurer, made payable to the City of Lindsay

Upon an award to the lowest responsive and responsible bidder, the security of an unsuccessful bidder shall be returned in a reasonable period, but in no event shall that security be held by the City beyond 60 days from the time the award is made.

A bid received and not accompanied by cash, cashier's check, certified check, or approved bond will result in return of the bid without consideration. Bid security is optional for other bids or proposals.

Performance and Payment Bonds

The performance bond guarantees that the contractor will perform the duties assumed by entering the contract. The payment bond guarantees that the contractor will pay all suppliers and subcontractors who assist in the performance of the work.

One hundred percent (100%) performance and payment bonds are required on all public works projects awarded in excess of \$25,000.

Performance and payment bonds are optional for other bids or proposals. In most instances, bonds are not necessary if a contractor has been selected after a thorough review of references, qualifications, and financial stability.

SETTLEMENT AND OTHER AGREEMENTS

\$1 to \$25,000 – Administrative Process

The City Manager must act on behalf of the City with regard to settlements and other legal agreements where expeditious action would be of great benefit to the City. Because the City is largely self-insured through the Central San Joaquin Valley Risk Management Authority (CSJVRMA) with self-insured retention (SIR) limits of \$25,000 or more, the City Manager can act to settle disputes and other agreements up to the \$25,000 limit. The City Manager

shall report the action to the Mayor at their earliest convenience and to the Council as a whole by the next regular Council Meeting available.

Over \$25,000 – City Councils’ Approval

All other claims and disputes related to liability, property, or workers’ compensation are taken over by the CSJVRMA at the point that the cost surpasses the SIR limit of the City. In cases where the Memorandum of Coverage (MOC) through the CSJVRMA does not apply, and the cost exceeds \$25,000 the City Manager must gain approval from the City Council to make settlement.

OUTSIDE LAGAL SERVICES

Where it is necessary, as in the case where the City Attorney has a conflict of interest, or when it is deemed desirable because specialized legal expertise is required from the private sector, outside legal counsel may be retained by contract, subject to the following limitations:

- All contracts for outside legal services in excess of fifty thousand dollars (\$50,000) shall be approved by the City Council.
- Contracts for such services, which do not exceed fifty thousand dollars (\$50,000), are within the Purchasing Agent's authority.

Section 4. CONTRACT CHANGE ORDERS

Contract Change Order (CCO) Policy - Project Increases

For unforeseen construction costs, and all City Services projects that involve a contract, the following policy is required:

- Project bid proposals shall be received and abstract of bids be developed. Project shall be awarded to the lowest responsible bidder by Council action, as required.
- A 10% contingency may be allowed to increase the project amount via CCO's depending on the scope of the CCO and the overall project budget. This 10% contingency is an aggregate total of all CCO's, not CCO's presented on an individual basis.
- The City Council, through the City Manager, shall authorize the City Services Director to execute CCO increases so long as they fall within the 10% contingency and there is a nexus to the original scope of work.
- For CCO (individual or aggregate) increases that exceed the 10% aggregate contingency and are below 25% increase of the project bid and there is a nexus to the original scope of work, the City Council shall approve and authorize the City Manager to execute the CCO.
- For CCO's (individual or aggregate) that exceed 25% of the original bid proposal, and there is a nexus to the original scope of work, City Council shall approve and authorize the City Manager to execute a Supplemental Agreement with the Contractor.
- All CCO's must be pre-approved by the City Manager, and if applicable pursuant to the thresholds established herein by the City Council.
- All CCO's, regardless of the threshold increase, shall be presented to Council either as a consent calendar item, or actionable item, to ensure the governing body is made aware of any contract increases.

Contract Change Order (CCO) Policy – Quality Control

All CCOs shall:

- contain backup written justification supporting the need for the CCO
- specify the source of funds to pay for the proposed changes
- clearly specify the method of payment to apply to said CCO

All CCOs should be paid at Agreed Unit or Lump Sum Prices whenever possible, and as such payment on a Time and Materials basis would be discouraged, and utilized only as necessary

For CCOs to be paid at Agreed Unit or Lump Sum Prices, the City shall prepare and maintain a backup estimate and documentation supporting the payment of fair and reasonable prices to the Contractor.

For CCOs to be paid as Extra Work at Force Account (Time and Materials plus markups), the City shall independently establish the amount of labor and equipment usage (via Daily Reports) prior to obtaining agreement with the Contractor on said number of hours charged to the CCO.

Should any CCO grant the Contractor contract time in the form of additional working days, the City shall conduct a time impact analysis verifying that the CCO affected the Contractor's progress schedule and the controlling operation of work.

RECORDS RETENTION POLICY

The City of Lindsay has a very detailed Records Retention Policy that was most recently amended 6/20/2017. However, as record retention requirements may vary for different grants the records retention period for any Project using Regional, State or Federal funds shall adhere to the stricter guideline as contained within LAPM Section 19.2 that states: " As stated in the Master Agreement, project records are to be retained by local agencies for a period of three years from sated payment of the final voucher, or a four-year period from the date of the final payment under the contract, whichever is longer. The file must contain all Notices of Completion and acknowledgement by the governing body and funding agency, or agencies if multiple funding sources are used, that the project has met all requirements to be accepted as complete.

ARTICLE IV: Credit Card Policy City of Lindsay

Purpose of Credit Card

A City credit card shall be issued to employees for the purpose of making authorized small-dollar purchases, securing reservations, paying travel expenses, placing phone/computer online orders, and doing City business in the most efficient manner. Use of the City credit card is not intended to replace procurement/purchasing policy which enable, volume discounts. City credit cards fall into two categories:

Individual Card

Assigned to specific employees whose name appears on the card itself.

Generic Card

Individual's name does not appear on the card.

When procedures differ for the two types of cards, this policy will describe each separately.

Acknowledgement and Receipt of Credit Card

The Finance Director will arrange for the appropriate spending limit for all credit cards. All cards will be issued with the written request from the Department Head. When an individual City credit card is issued, the Finance Department will ask the employee to sign a copy of this policy acknowledging his/her understanding of the procedures for the use of the City credit card and acknowledging the receipt of the credit card.

Users of the generic cards

Individuals requesting use of the generic cards must have a signed policy on file in the Finance Department prior to checking out a card.

Restricted Use of the City Credit Card

The following restrictions are placed on all City credit cards:

- Credit cards are issued to the employees for the sole purpose of conducting official business of the City. Improper use of a City credit card may be treated as misuse of public funds and may subject the Cardholder to disciplinary action up to and including termination and prosecution.
- The City credit card is for the Cardholder's use only.
- Cardholders must ensure that sufficient funds are available prior to making purchases.
- Purchases cannot exceed the single transaction limited (\$50.00) established in the procurement policy unless the charge is made online, over the phone, or an outside business that will not take a Purchase Order. Purchases must not be split to circumvent purchasing policies.
- For purchases with businesses in which the City has an open purchase order or a store credit card the City's credit card should not be used. Instead, contact Revenue/Purchasing/Utility Manager for PO# or store credit card.

Prohibited Uses

The City credit card shall not be used for the following:

- Any personal items and personal services.
- Cash advances, wire transfers, money orders, etc.
- Betting, casino gaming, or related activities.
- Political or religious organizations.
- Court costs, fines, bail, or bonds.
- Rental or lease payments.
- Purchase of telephone services including pagers and calling cards, except for telephone calls charges to a hotel/motel room while traveling on City business.
- Alcoholic beverages.
- Other prohibited/restricted uses deemed by the City Council.
- Unauthorized purchases, including policies in the Purchasing and Travel Policy, but not limited to.
- Purchasing non-budgeted items or items that would cause a department's adopted budget to be exceeded.

Safekeeping of City Credit Card

Individual Card

The cardholder is responsible for the security of the City credit card.

Generic Card

Generic cards will be kept in the Finance Department. Authorized employees may check out credit cards. Cards must be returned to the Finance Department within 24 hours of being checked out or the completion of travel unless prior arrangements have been made with the Finance Department.

Credit Card Purchase and Statement Procedure

Cardholders shall complete the following steps with each purchase.

Documentation Required for Purchases

- Imprint of vendor name and identification
- Date of purchase
- Brief but specific description of item(s) being purchased.
- Amount of total purchase

Documentation Required for Training and Travel Expenses

- Hotel receipt must contain full detail of charges.
- All charges for meals must contain full detail of charges, including tip if applicable. The City's tip policy is 15%, if the tip is more that 15%; reimbursement is required immediately with receipt. If the restaurant automatically adds a higher tip because of the group size, the 15% rule will be exempted.
- All meals purchased must detail who attended on each receipt. All receipts must be signed by the cardholder or user.
- No alcoholic beverages to be charged on City credit card.
- Receipts for car rentals, tolls, and any other miscellaneous charges must accompany a detail receipt. Receipt must note reason for expense and must be signed by the individual.

Payment Processing

Individual Card

Monthly statements will be mailed to the City of Lindsay and a copy will be distributed to the individual for their review. Upon receipt of the statement, cardholders shall complete the following steps:

Employee will balance all sales drafts, receipts/invoices, or order forms to the Statement, which will show all transactions made during the billing cycle. All items must be accounted for on the statement with supporting documentation, and a Green Slip provided to all individuals with purchasing privileges must be completed and submitted with invoices. If no documentation can be provided the individual or the person who made the purchase may be required to reimburse the City for the charge in question if the amount is \$25.00 or higher. Attached is a form for the documentation of any charges under \$25.00 with missing receipts. If the Cardholder has no purchases during the billing cycle, no statement will be generated.

Within five (5) days of receipt of the credit card statement, submit to the Balanced statement with attached sale drafts, receipts/invoices, and order forms to the Finance Department signed and coded with account numbers.

Generic Cards

Purchasers will return the card, sales drafts, receipts/invoices, and other forms to the Finance Department within 24 hours of checking out the card. If the credit card was used for travel, the card is due back to the Finance Department the same day back from travel with the travel form and applicable receipts are due within 48 hours.

The Finance Department will process all credit card billings in sufficient time to avoid late penalties and interest. Under no circumstances will the Finance Department "hold" a statement pending the resolution of a dispute or while waiting for backup documentation from the Cardholders.

Failure to follow this policy by any cardholder or any individual who signs out a Generic Card to provide necessary documentation to the Finance Department within the specific time period may result in the user's credit card privileges being suspended or revoked. The first time the individual will be verbally warned by his/her supervisor. The second warning will include a written warning that will be provided to your supervisor. The third notice will be a written notice to you supervisor informing them that your credit card privileges have been suspended for 90 days. The fourth and final notice will be a written notice to your supervisor informing them that your credit card privileges have been permanently revoked.

Billing Errors and Returned Items

If a purchased item is billed incorrectly, the Cardholder is responsible for contacting the vendor within three (3) days after the date of the purchase or as soon as the error is discovered, on items disputed which appear as transactions on the statement. The Cardholder shall note the transactions on the statement, indicating "questioned item", and provide a brief written explanation.

If a purchased item is returned, the Cardholder is responsible for contacting the vendor and requesting a credit transaction. The Cardholder shall note the transaction on the statement indicating "pending credit".

Disputed Charges

Cardholders are responsible for ensuring that the vendor and issuing bank are notified immediately of any disputed charges. To avoid finance charges and late fees, Finance will pay all credit charges in full, including disputed amounts. Departments are responsible for resolving the disputed charges and obtaining credit on the next monthly statement.

Lost or Stolen Card

Should a Cardholder lose or have his/her City credit card stolen, it is his/her responsibility to contact the Bank immediately. Within one (1) day, the Cardholder shall also notify the Finance Director to follow up and to reissue a new card.

Return of Credit Card upon Request or Termination

Cardholders will immediately surrender their credit card upon request of their Department Head. Human Resources or the Finance Department will be responsible for retrieving the credit card when an employee separates from the City. Use of the credit card for any purpose after its surrender is prohibited.

Internal Controls

A current list of all credit cards, authorized users, and credit limits shall be kept on file in the Finance Department at all times.

ARTICLE VI: Travel Policy

PLEASE READ CAREFULLY

Attached is your overnight travel request form and a travel expense form.

All travel records are considered public information.

Please review the information below as a reminder of general guidelines and procedures.

Expenditures

Lodging

Hotel/motel must be practical and economical. As a guide, lodging where costs are lower or no higher than the maximum provided for State of California employees (maximum [plus tax] of \$90/night, or \$125/night in Los Angeles and San Diego Counties, or \$140/night in Alameda, Santa Clara, and San Mateo Counties). Transient Occupancy Tax waiver is to be requested (see below). State rates available at: <http://www.calhr.ca.gov/employees/Pages/travel-lodging-reimbursement.aspx>.

Transient Occupancy Tax (TOT) (California travel only)

Complete/take the attached TOT exemption form with you when you check in at the hotel; present the form at the desk and request an exemption from the tax. Please note: make sure you request the exemption; if refused, please note on your expense report, or TOT costs will not be an eligible expense). Additional TOT forms are available through the Finance Director's Office.

Transportation / City Vehicle

A City vehicle, instead of your private vehicle, should be used when traveling to a business-related conference or meeting. Please request use of a city vehicle through your supervisor or department head.

If you wish to use your personal vehicle, you MUST make that request in advance in writing to the City Manager's office through your department head, together with a copy of your personal vehicle insurance coverage. If approved, the city will reimburse fuel costs to and from the conference site only.

Attach a copy of the approved personal vehicle request to the expense form when submitting to Finance.

Note: If you use your personal vehicle without obtaining prior authorization, you may not be reimbursed for your vehicle use.

Expenditures for Spouse, Children, Other Family Members, Relatives or Friend(s)

Such expenditures are not eligible expenditures.

Phone Calls (other than city business)

One per day to residence, except in family emergency.

Meals

Only actual meal costs will be paid/reimbursed. The maximum reimbursement for any one day is \$50.00. Care should be used in purchasing meals. Receipts are required and must be attached to the travel expense form. Alcoholic beverage costs are not an eligible expense.

Tips

Maximum of 15% of the meal cost (before tax).

Overnight Travel Request

A copy of your approved "overnight travel request" form is to be attached to your travel expense form.

Travel Expense Form

Complete/submit a travel expense form with all receipts TO THE FINANCE DIRECTOR within one week after returning.

NOTE: Employees may be required to reimburse the city for expenses not in general compliance with these guidelines/travel policies.

Article VII: FIXED ASSET POLICY

Section 1. INTRODUCTION

The City's fixed asset policies and procedures are established in accordance with Generally Accepted Accounting Principles (GAAP) and statements issued by the Government Accounting Standards Board (GASB). This policy is intended to provide specific guidance for the tracking of fixed assets guidelines for their purchase, use, accountancy, inventory, transferring and disposal.

Section 2. OBJECTIVES

Appropriate Use and Control.

Ensure that there is adequate control and appropriate use of the City's fixed assets for the delivery of municipal services and for the protection of the health, safety and welfare of the community. In order to properly manage current assets through asset retirement and to plan for replacement and future acquisition, the City shall maintain retirement, replacement, and acquisition schedules to plan for future needs. Sufficient attention should be paid to the scheduling process to avoid the need to make unplanned purchases which could have been planned for with proper attention.

Safeguarding and Preservation.

Inventory records shall be established and maintained in accordance with this policy. Shall be established and maintained in accordance with this policy. All items valued in excess of \$1,000.00 and with a useable life in excess of one year are to be identified and tagged with an inventory serial number. Each Department Head in coordination with the Finance Department ensures assets meeting the reporting threshold are properly tagged and tracked during useful life and through asset retirement. All items valued in excess of \$15,000.00 are to be tracked in the City of Lindsay Fixed Asset per GASB 34.

Accounting and Financial Reporting.

Annual depreciation expense is to be posted to the financial statements annually. Unit value shall be set at an amount equal to the original cost of acquisition plus any costs associated with bringing the asset into an operation or useful condition. Such costs included but not limited to taxes, freight, installation, testing and related costs. In cases where an asset has been acquired by gift or other means by which costs are not readily available, cost shall be established using an estimate of fair market value. Fixed assets shall be included in financial reports issued to external reporting agencies, financial institutions, bond trustees, granting agencies the public, and all local state or federal reporting requirements.

Section 3. SCOPE

The City's fixed asset policies apply to all personnel, departments, divisions and offices of the City government as well as all associated accounting funds under the direct authority of the City of Lindsay. These accounting funds include, but are not limited to, the General Fund, Special Revenue Funds, Enterprise Funds, Internal Service Funds, Debt Service Funds, Capital Projects Funds, Private-Purpose Trust Funds and Agency Trust Funds.

Section 4. RESPONSIBILITY

The Finance Department is responsible for establishing systems and procedures so that the purposes of these policies are implemented and ensure that fixed assets are identified, processed, tracked, inventoried and appropriately reported by fund and asset category. Department Heads are responsible to ensure that proper budgeting and purchasing guidelines are followed, and to ensure that fixed assets

are adequately controlled, safeguarded, preserved, and used only for appropriate City purposes. Procedural mandates are further defined within the Financial Management & Internal Controls Manual.

Section 5. DEFINITIONS

The City of Lindsay will apply the following definitions to its fixed asset policies and procedures.

Buildings.

Structures of a fixed or semi-fixed nature, which provide shelter and/or create interior space. Buildings also include picnic shelters, storage sheds and restrooms.

Construction in Progress.

Assets that are being built that are not usable at the end of the fiscal year, such as an incomplete building, waterline, sewer line, storm drain line, street, road, traffic signal, or other public improvement or infrastructure.

Capital Expenditure.

A Capital Expenditure is an outlay of funds for fixed assets, including land, buildings, machinery, equipment, construction in progress, design in progress, improvements and infrastructure with an original cost of \$5,000 or more.

Design in Progress.

Capital improvement projects that are in planning or the design stage. The expenditure of these projects is capitalized at year-end if the design has exceeded \$5,000.

Equipment.

Moveable personal property with a useful life of more than one year and a value of \$500 or more. Such items as furniture, machines, tools, vehicles, and computers are included in this category.

Fixed Assets.

Tangible and intangible property owned by the City with a value of \$1,000 or more and a useful life of at least one year.

Improvements.

Physical property of a fixed nature that is added (affixed) to land or buildings. These assets include ground improvements, sidewalks, driveways, landscaping, sprinklers, fences, parking lots, etc. Building improvements include such items as carpeting, air conditioning systems or improvements through remodeling

Infrastructure.

Includes bridges, traffic signals, streets, roads, curbs, gutters, sidewalks, water lines, sewer lines and storm drain lines.

Intangibles.

Items such as software (not replacement or upgrades).

Land.

Includes the investment in real property or the ownership of ground space such as parcels, easements, and rights-of-way.

Streets and Roads.

Includes all streets and roads that have pavement as well as curb, gutter and sidewalk.

Street Drainages.

Includes storm drainage piping and manholes underneath streets and roads.

Traffic Signals.

All traffic lighting systems that control traffic.

Vehicles.

All vehicles and rolling stock equipment that are maintained by the City as part of the fleet program.

Article VIII: CAPITALIZATION POLICY

Section 1. INTRODUCTION

Capital Expenditures for fixed assets, including land, buildings, machinery, equipment, construction in progress, design in progress, improvements and infrastructure with an original cost of \$5,000 or more, will be subject to accounting and reporting (capitalization). All costs associated with the purchase or construction of the asset are part of the capitalization threshold including ancillary costs such as freight, transportation charges, site preparation expenditures, professional fees, warranties, taxes and legal claims directly attributable to the asset acquisition.

Section 2. CAPITALIZATION GUIDELINES

Specific capitalization guidelines are described below:

Capitalization Threshold.

An exception to the \$5,000 threshold is land and some infrastructure. All costs associated with the purchase or acquisition of land parcels, rights-of-way, or easements, are capitalized, regardless of cost.

Individual Units of Fixed Assets.

The \$5,000 capitalization threshold is applied to individual units of fixed assets. For example, ten desks purchased through a single purchase order, each costing \$1,000, will not qualify for capitalization even though the total (\$10,000) exceeds the capitalization threshold of \$5,000.

Fixed Asset Components.

For the purpose of capitalization, the threshold will generally not apply to components of fixed assets. For example, a keyboard, monitor and central processing unit purchased as components of a computer system will not be evaluated individually against the capitalization threshold. The entire computer system will be treated as a single fixed asset.

Grants.

Any asset requiring controlling and separately reporting pursuant to grant conditions or any other externally imposed reporting requirement, will be capitalized, regardless of cost. For example, a grant program that has funded the acquisition of a fixed asset may impose a requirement that the fixed asset be tracked and identified as a grant-funded asset. All equipment purchased with federal funds shall be tracked in the Federal Expenditure Program of the Capital Assets software for ease of identification and to ensure proper disposal according to grant guidelines.

Dedications and Donations.

When an asset is acquired through dedications, donations, developer funding, or in-lieu of fees, the asset will be recorded at its estimated fair market value at the date of acquisition, as determined by the appropriate City department using an appropriate method to determine value.

Repairs and Maintenance.

Repairs to existing fixed assets will generally not be subject to capitalization unless the repair extends the useful life of the asset. In this case, the repair represents an improvement and is subject to the capitalization requirements described below.

Improvements.

Improvements to existing fixed assets will be presumed (by definition) to extend the useful life of the related fixed assets, and therefore, will be subject to capitalization only if the cost of the improvement meets the \$5,000 threshold. Therefore, an improvement to a fixed asset that had an original cost of less than \$5,000, but now exceeds the threshold as a result of the improvement, should be combined as a single asset at the total cost (original cost plus the cost of the improvement) and capitalized.

Capital Projects.

Capital projects will be capitalized as “design in progress” or “construction in progress” until completed and maintained under the CIP Program designation neither placed into service, nor capitalized or depreciated until accepted by Council as complete. The date placed into service shall be the date of acceptance by Council as complete. The costs associated with the capital project include direct costs, such as labor and materials, as well as indirect and ancillary costs.

Section 3. CAPITALIZATION VALUATIONS

The objective fixed asset accounting is to account for the City’s historical acquisition cost, not present market or replacement values of City fixed assets. Therefore, fixed assets are valued at historical cost. In those instances where historical costs are not available, fixed assets are valued at estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date donated. In valuing fixed assets the following guidelines are used.

Buildings.

Costs include all expenditures in connection with their acquisition such as purchase price or construction cost, fixtures attached to the structure, architect’s fees, engineering fees, and insurance during construction.

Construction in Progress.

Assets are recorded in the same manner as assets acquired by purchase or construction contract. Costs that are capitalized are service charges, materials, and architects and engineering payments and retentions.

Design in Progress.

Costs that are capitalized include service charges, materials and architects and engineering payments and retentions.

Equipment.

Costs include all expenditures including the purchase price (before trade-in allowance) freight charges, taxes and installation costs.

Improvements.

Costs include all expenditures in connection with their acquisition such as purchase price or construction costs, materials costs, installation costs, fixtures, architect’s fees, engineering fees, freight charges, taxes and insurance during construction.

Infrastructure.

Costs include all expenditures in connection with their construction including labor costs, material costs, installation costs, engineering fees, freight charges, sales taxes and insurance during construction.

Land.

Costs include all expenditures in connection with land acquisition such as purchase price, appraisal fees, title policy fees, demolition, site clearance, etc.

Street Drainage.

Costs include all expenditures in connection with their construction including materials costs, installation costs, engineering fees, freight charges, sales taxes and insurance during construction.

Streets and Roads.

Costs include all expenditures in connection with their construction including material costs, installation costs, engineering fees and insurance during construction.

Traffic Signals.

Costs include purchase price, freight charges, taxes and installation charges.

Vehicles.

Costs include purchase price, sales tax, freight charges and installation costs and in the case of public safety vehicles all retrofit improvements relative to police and/or fire vehicles.

Section 4. DEPRECIATION

Principles and Guidelines.

The purpose of depreciation is to spread the cost of fixed assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of the fixed asset.

General Accounting Standards Board (GASB) Statement 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures for these assets are expensed, unless they are additions or improvements.

Except for streets and roads covered by the "modified approach," depreciation is booked on fixed assets. Depreciation of all fixed assets is charged as an expense against operations each year. The total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of the fixed assets.

Depreciation is used solely in Proprietary Fund Types. Depreciation is important in these funds because it is included as an operational expense of these funds. Unlike Governmental Fund Types, fixed assets are reported in the balance sheet accounts of each Proprietary Fund. The use of these assets over a period of time is charged as a depreciation expense.

Depreciation Method.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated.

Estimated Useful Life.

The estimated useful life of an asset will vary depending on the type of fixed asset that is being depreciated. The useful life for various fixed assets are indicated below:

Buildings	50	Years
Infrastructure	50	Years
Street Drainage	50	Years
Curb, Gutter and Sidewalk	30	Years
System Infrastructure	30	Years
Furniture, Fixtures & Vehicles	5	Years

Article VIII: INVENTORY CONTROL POLICY

Section 1. INVENTORY CONTROL CRITERIA

Inventory control is applied only to movable fixed assets and not to land, buildings or other immovable fixed assets. Fixed assets subject to inventory control will be accounted for and controlled through the same systems and procedures used to account and control fixed assets subject to capitalization. Fixed assets will be subject to inventory control if they meet at least one of the following criteria:

- The fixed asset has a useful life that exceeds one year.
- The original cost of the fixed asset is equal to or greater than \$1,000.
- Any asset less than \$1,000 as requested from a department. This may include certain machinery and equipment that, due to their portability, character or value outside of the office are susceptible to loss, theft, misplacement or borrowing. It may also include any asset that has been requested by a department to be controlled in order to satisfy an internal (operational) or external federal or state regulatory requirement.
- Any asset required to be controlled and separately reported pursuant to grant conditions or any other externally imposed reporting requirement. For example, a grant program that has funded the acquisition of a fixed asset may impose a requirement that the fixed asset be tracked and identified as a grant funded asset. All assets purchased with federal funds in excess of \$500 shall be tracked separately.

Section 2. TAGGING

Fixed assets will be tagged to support inventory control, prevent theft, stop losses, track the fixed asset's replacement cost, determine asset useful life, promote fixed asset accountability, and provide auditors with a mechanism to verify the City's control of fixed assets. Most fixed assets are tagged with a numbered fixed asset tag. However, some fixed assets such as land, buildings, improvements, infrastructure, machinery and equipment are not tagged because they are immovable or because it is physically impossible or impractical to tag the item because of the way that the fixed assets are used.

Section 3. ANNUAL REVIEW AND CERTIFICATION

Each Department Head holds ultimate responsibility for safeguarding their fixed assets against theft or loss. At the end of each fiscal year, the Finance Department will forward to each department a listing of their fixed assets for review and certification. It is the responsibility of the Department Head to verify and certify the accuracy of the information contained on that report. Any discrepancies must be reported to the Finance Department.

Section 4. FIXED ASSET REPORT

All departments involved in the construction or dedication of improvements or infrastructure assets must complete a fixed asset report when filing a Notice of Completion or Acceptance. The report must be forwarded to the Finance Department for inclusion in the City's fixed asset data base and the City's engineers for inclusion on the City's Geographic Information Systems (GIS) data base.

Section 5. TRANSFERS OF FIXED ASSET

Requests for transfers of fixed assets will be in writing and submitted to the Finance Division and City Manager for approval. The Finance Department will be responsible for making the appropriate transfers on the City's computerized Fixed Asset data base and keeping a file of all transfers.

Section 6. DISPOSAL OF FIXED ASSETS

Disposal Authority.

No fixed assets may be disposed of without the approval of the City Council or the City Manager and Finance Department. Disposal of all land and buildings and all other fixed assets with a value of over \$5,000 must have City Council approval. If it is determined that the fixed assets sold as a unit has a value less than \$5,000, the property may be disposed of in a manner approved by the Department Head, Finance Department and the City Manager. Fixed assets will only be disposed of after checking with other City departments to see if they can use the property.

Disposal Value.

It is the responsibility of each department to appraise fixed assets designated as surplus prior to sale.

Disposal Methods.

Fixed Assets may be disposed of in the following ways:

- Sealed bids after at least three public notices have been published in the newspaper.
- Public auction after at least three notices have been published in the newspaper.
- Traded in to reduce the purchase price of a new replacement for a fixed asset.
- Taken to a federal or state surplus property facility and sold through that facility.
- Sold or donated to another government agency.
- Recycled and disposed of as junk to a landfill or other appropriate waste removal facility.
- Other method approved by the City Council or the City Manager where it is believed that the highest price can be obtained for the fixed asset. The City Council or City Manager will determine the most appropriate method of disposing of fixed assets.

Proceeds from Sales and Auctions.

All proceeds from the sale of fixed assets will be allocated to the City's General Fund unless the property was originally purchased with monies from a specific City Accounting Fund, in which case, the proceeds will be returned to that specific Accounting Fund.

Article X: FINANCIAL POLICIES

Section 1. FEDERAL, STATE, AND COUNTY INTERGOVERNMENTAL GRANT REVENUES

The City seeks to acquire grant revenue from federal, state and county sources. The City uses these one-time and non-recurring federal, state and county grant revenues for capital projects or major capital equipment purchases. Revenues from grants are not used for maintenance and operation expenses, to expand programs or increase staffing levels because the City may not be in the financial position to support the activity or staff if the grant revenue ceases to exist. The City only projects the receipt of intergovernmental revenues during the period of time that the federal, state or county authorization exists.

Section 2. USER FEE REVENUES

The City charges the direct beneficiaries of City service fees that recover the partial or full cost of providing certain services. Many of these services provided by the City directly benefit individuals or the private sector. These include recreation programs, building permits, animal licenses and many others. When the general taxpayer subsidizes services of this nature, scarce resource dollars are not available for other City services. In these user-choice services, the customer has the opportunity to determine whether that service is used, with part of that decision being made through the normal pricing system. In such cases, the City is committed to recovering the cost of providing that service through a user fee or service charge. In determining its fee structure, the City:

- Develops broad policies concerning funding of services.
- Periodically reviews all services to determine if a fee should be charged.
- Considers market rates and charges levied by other public and private organizations for similar services.
- Sets fees that recover the partial or full costs of providing that service.
- Sets fees that are comparable to other jurisdictions.
- Periodically evaluates fee amounts.

In some cases full cost recovery is not permitted because of statutory restrictions, and in other cases full cost recovery may not be desired for health, safety or welfare reasons.

Section 3. DEVELOPMENT IMPACT FEE REVENUES

The City seeks to recover some of the cost of growth through development impact fees assessments on new developments in the City of Lindsay. As Lindsay's population grows, the demand for the expansion of public infrastructure and the purchase of capital equipment needed to serve new development in the City increases.

State law allows (State Mitigation Fee Act, Government Code 66000 et. seq.) and fairness dictates that the new residents creating the need for expanded infrastructure and additional equipment capital costs should make a contribution to their acquisition in the form of development impact fees. Development

impact fees are collected by the City of Lindsay for the expansion of public infrastructure and facilities and the purchase of capital equipment needed to for new development in the City. All development

impact fees are deposited in separate capital projects revenue and expenditure accounts in a separate Capital Projects Fund specifically designated for the particular development impact fee. Development impact fees can only be spent for capital purchases due to growth and are not used for salary or maintenance or operation expenditures.

Section 4. LONG-TERM DEBT AND PUBLIC BORROWING

Public borrowing through lease-purchase agreements, general obligation (GO) bonds, revenue bonds, certificates of participation (COP) or other legal debt instruments may be in the public interest. However, the City will pursue policies that will not saddle the public with excessive public debt and will carefully scrutinize any public borrowing proposals. California currently has no constitutional or statutory debt limits for municipalities. Therefore, the City's elected officials, City Manager and other staff members must use debt in a wise and judicious manner. Where public borrowing is considered appropriate by the City Council, it will be done in accordance with the following policies:

- Debt is limited to equipment purchases and major capital projects. It is not used for general operating expenses. It is the policy of the City to maintain cash balances at a sufficient level for general operating costs (those items normally funded in the City's annual operating budget and having a useful life of less than one year).
- Short-term securities may be issued in cases where the City's normal cash flow has been disrupted as a result of natural disaster or unexpected delays in the receipt of federal or state revenues.
- The maturity date for any debt does not exceed the reasonable expected useful life of the equipment or capital improvement being financed. Generally, the City will limit long-term debt to a term not to exceed 10-15 years.
- When practical, the City will develop, authorize, and issue revenue, special fee or other self-supporting debt instruments instead of General Obligation Bonds.
- Coverage for revenue bonds or special fee debt instruments shall be at least 120 % of annual total debt service.
- The City will maintain good communications regarding its financial condition. It will regularly evaluate its adherence to its debt policies. The City promotes effective communications with bond rating agencies and others in the market place based on full disclosure.

Section 5. CITY INSURANCE AND RISK MANAGEMENT

The City's liability, workers' compensation, bonding and special event insurance is provided by the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public sector risk pool made up of 57 cities located in three regions in the Central Valley.² CSJVRMA is a joint powers authority public insurance company where there is insurance and risk sharing among the pool participants. The City pays a bi-annual premium to CSJVRMA for all its coverage including excess coverage.

² Other area cities in the CSJVRMA included in the Southern Region are Arvin, Avenal, Corcoran, Delano, Exeter, Farmersville, Lemoore, Maricopa, Porterville, Shafter, Taft, Tehachapi, Tulare, Wasco, and Woodlake.

Liability Insurance Coverage.

CSJVRMA provides up to \$1 million per occurrence for general and automobile liability and public officials errors and omissions. CSJVRMA self funds coverage up to \$1 million. Losses that exceed this amount are covered via the California Affiliated Risk Management Authority (CARMA). The City is self-insured for general liability claims up to \$25,000 for each occurrence. This risk sharing program requires members to maintain three times the retention amount in a reserve fund.

Workers' Compensation Insurance Coverage.

CSJVRMA provides the City of Lindsay with workers' compensation insurance coverage up to statutory limits per occurrence, including volunteer operations. The organization self-funds up to \$500,000. Losses in excess of this amount up to \$300 million are covered via the Local Agency Workers' Compensation Excess Pool (LAWCX) and reinsurance. Lindsay has first dollar coverage under this program. CSJVRMA contracts with Bickmore Risk Services for program administration and a third-party adjuster, AIMS to process and monitor all claims.

Property Insurance Coverage.

The CSJVRMA Property Insurance Program is a group purchased commercial insurance policy through the Public Entity Property Insurance Program (PEPIP) that is specifically designed for public entities. Members are afforded all-risk, replacement costs coverage with limits up to \$1 Billion including automatic coverage for new acquisitions, auto physical damage, boiler and machinery, and course of construction. There is optional coverage for earthquake and flood damage.

Bond Coverage Public Employee Dishonesty.

The City purchases a fidelity bond every year. Coverage includes the faithful performance of duty including loss of money, securities and other tangible property with intrinsic value resulting from employee dishonesty. It includes loss resulting from failure of any employee to faithfully perform duties as prescribed by law.

Special Events Insurance Coverage.

The City of Lindsay has a Transfer-of-Risk Policy that requires all individuals and/or groups that would use City property for a special event to have liability coverage in place and name the City as Additional Insured prior to being allowed to proceed with their event.

Section 6. FUND BALANCES IN GOVERNMENTAL FUNDS AND CASH AND INVESTMENTS BALANCES IN ENTERPRISE AND FIDUCIARY FUNDS

Definition and Purpose.

Accountants employ the term "Fund Balance" to describe the net assets of governmental funds calculated in accordance with generally accepted accounting principles (GAAP). Budget professionals commonly use this same term to describe the net assets of governmental funds calculated on a government's budgetary basis. In both cases, "Fund Balance" is intended to serve as a measure of the financial resources available in a governmental fund. It is essential the City of Lindsay maintain adequate levels of fund balance to provide working capital, mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures) and to ensure stable tax rates. Fund balance levels are also a crucial consideration in long-term financial planning.

The “Cash and Investment Fund Balance” is that portion of fund equity that can be used for operating, capital and debt service expenditures, and is intended to serve as a measure of the financial resources available in an Enterprise Fund. It is essential the City of Lindsay maintain adequate levels of cash and investment fund balances to provide working capital, mitigate current and future risks (e.g. revenue shortfalls and unanticipated expenditures) and to ensure stable utility rates. Cash and investment fund balance levels are also a crucial consideration in long-term financial planning.

Credit rating agencies carefully monitor levels of fund balance in a government’s General Fund to evaluate a government’s continued creditworthiness. Those interested primarily in a government’s creditworthiness or economic conditions are likely to favor higher levels of fund balance. Opposing pressures often come from employee unions, taxpayers and citizens’ groups, which may view high levels of fund balance as “excessive.”

Fund Balance Policy Considerations.

In establishing a policy governing the level of unrestricted (unreserved) fund balance in governmental funds and cash and investment fund balance in its Enterprise Funds, the City Council takes into consideration the following factors:

- The predictability of its revenues and the volatility of its expenditures (i.e. higher levels of unrestricted (unreserved) fund balance may be needed if significant revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile).
- The availability of resources in other funds as well as the potential drain upon General Fund resources from other funds (i.e. the availability of resources in other funds may reduce the amount of unrestricted (unreserved) fund balance needed in the General Fund, just as deficits in other funds may require that a higher level of unrestricted (unreserved) fund balance be maintained in the General Fund.
- Liquidity (i.e. disparity between financial resources actually become available to make payments and the average maturity of related liabilities may require that a higher level of resources be maintained).
- Designations (i.e. the City of Lindsay may wish to maintain higher levels of Unrestricted (unreserved) fund balance to compensate for any portion of unrestricted (unreserved) fund balance already designated for a specific purpose).

Fund Balance Policy.

A reasonable minimum fund balance of 95 % of annual revenues in the General Fund, and 30 % in Special Revenue Funds and Capital Project Funds, and reasonable unrestricted cash and investments balance of 95 % will be maintained in the Enterprise and Fiduciary Funds for the following purposes:

- Provide sufficient working capital to avoid meeting daily cash needs to avoid using tax-anticipation notes.
- Provide a reserve to absorb emergency expenditures caused by natural disaster such as fire, flood or earthquake.
- Cover any unanticipated deficit resulting from a shortfall in actual revenues in a given budget year or unanticipated cuts by the State Legislature and Governor of City revenues.

When the unrestricted (unreserved) fund balance of the General Fund exceeds the amount needed for the above purposes, monies are transferred to the General Capital Projects Fund to be used for capital improvements in the City.

Restricted (reserved) fund balances in the General Fund, Special Revenue Funds, and Capital Projects Funds will be separated out and identified in the City's accounting records, financial statements, budgets and audit reports. This same policy is followed with respect to restricted amounts in the cash and investment balances of the Enterprise Funds. The purpose of this policy is to show the City Council, staff and the public what funds in these balances are unrestricted and what funds are to be used for specific purposes.

Article XI: CAPITAL IMPROVEMENT PROJECT POLICIES

Section 1. NEW CONSTRUCTION

New residential, commercial and industrial developments must be approved by the City Engineer and be fully completed before acceptance by the City. The City requires surety bonds or stand-by letters of credit in a form approved by the City Attorney to guarantee the construction of off-site improvements in all new developments. The improvements that must be installed in each development are water lines, flood control facilities, underground electrical lines, underground telephone lines, underground natural gas lines, underground cable television lines, curbs, gutters, sidewalks and a finished street, with enough road base and asphalt depth to last at least 15 years. Construction standards to achieve this useful life have been determined and adopted by the City Council.

Section 2. CAPITAL PROJECT FUNDING AND CONSTRUCTION CATEGORIES

Lindsay's capital projects may be divided into four categories. They are current-year funded projects, Five-Year Capital Improvements Plan (CIP) projects, planned, but unfunded projects, and unfunded future needs projects.

Category 1 Projects: Current -Year Funded Projects.

This category includes projects that funding has been appropriated in the current fiscal year's capital budgets and legal contracts have been signed to commit these funds. The City Council has determined through the annual budgeting process that these projects are in the best interest of the public's health, safety and welfare. These projects have been carefully planned to maximize the benefits derived through the use of the City's limited resources. Projects that generate future revenues that will fund future services and projects and benefit the entire community will receive first priority for funding.

Category 2 Projects: Five-Year Capital Improvement Plan (CIP) Projects.

This category includes projects where funding will come from projected revenues in the second through fifth year of the Five-Year Capital Improvements Plan (CIP). The fiscal year in which anticipated funding has been reserved may change due to the available revenues. All projects in this category must be tied to a projected funding source.

Category 3 Projects: Planned but Unfunded Projects.

This category includes projects that are planned and required to maintain established levels of services throughout the City for the existing population. Typically these projects are needed as a result of deteriorating infrastructure, updates to various General Plan Elements, or are in areas where minimum levels of service are not currently being met. These projects are not intended to promote residential growth, but to sustain municipal services for the existing residents. If a funding source becomes available, a project in this category may be moved to a Category 2 Project.

Category 4 Projects: Unfunded Future Needs Projects.

Projects under this category are a condition of future growth and will generally be included in undeveloped areas. It is the intent of the City that development should pay for public improvements to meet established minimum

levels of service. In this category, projects are not anticipated to be upgraded to a higher category without revenue generating potential.

Section 3. CAPITAL PROJECT FINANCING

Capital improvements and equipment purchases are financed in accordance with the following policies:

General Fund and Enterprise Fund Equipment Purchases.

City departments within the General Fund will finance equipment purchases from current year appropriations. Multi-year equipment lease-purchase agreements will be avoided except in the most rare cases.

General Infrastructure Construction Projects.

Capital projects for general governmental purposes such as land purchases, building construction, road construction, street paving, storm drain installation and other major improvements are financed from revenues allocated to the General Capital Projects Fund. The General Capital Projects Fund contains revenues from unrestricted sources as well as restricted sources such as development impact fees or federal, state and county grants. Major capital improvements that cannot be delayed until the required funds are accumulated may be financed by issuing general obligation bonds, revenue bonds (where permissible), or by a combination of any of these methods.

Enterprise Fund Construction Projects.

All capital projects in the Enterprise Funds are paid from resources provided by development impact fees, contributed capital revenues and net income from operations. If these sources cannot provide sufficient resources for Enterprise Fund improvements, construction of these improvements may be financed by general obligation bonds, revenue bonds or by a combination of any of these methods.

Special Assessment Districts.

Capital improvements or public services that benefit a given area may be financed in accordance with state law by special assessment districts. These districts are established where the majority of the residents or businesses want specific improvements or public services and consent to pay for them over time. In these cases the City establishes a Landscape, Lighting, and Assessment District (LLAD) that is reevaluated annually to determine the assessment fee and services provided and for which a public hearing shall be held prior to the determination of the assessment for the upcoming tax year. The City of Lindsay contracts with the County of Tulare Assessor's office to provide collection services via property tax payment process.

Section 4. UTILITY COORDINATION

All capital construction and maintenance projects are coordinated with Southern California Edison, The Gas Company, Charter Communications, and Verizon in an effort to save residents money and avoid tearing out improvements after they have been installed.

Section 5. FIVE- YEAR CAPITAL IMPROVEMENTS PLAN

The Five-Year Capital Improvements Plan (CIP) is a multi-year guide to the construction of community improvements such as roads, storm drains, curbs, gutters, sidewalks, water facilities, sewer facilities, storm drainage facilities and other needed City improvements. It is through this process that the long-

range plan for the orderly maintenance and improvement of Lindsay’s physical fixed assets can be accomplished. This document is intended to serve as a planning tool and is structured to present a meaningful perspective of the community’s long-range needs.

The Five-Year Capital Improvements Plan (CIP) determines the budgeted capital projects for the current fiscal year only. There are no specific appropriations established via the adoption of the Five-Year Capital Improvements Plan (CIP) with the exception of the current fiscal year. Subsequent year appropriations and actual funding sources are identified as part of the preparation of the annual budget.

Section 6. FIVE-YEAR CAPITAL IMPROVEMENTS PLAN (CIP) PREPARATION

Each department is asked every year to identify potential capital projects and their estimated cost. Financial forecasts of the General Fund, Special Revenue Funds and Enterprise Funds are then prepared to identify what monies will be available for future projects. Projects that cannot be funded from money generated through the general course of business must be financed with development impact fees, grants, bonds or must be postponed or cancelled.

During the City Council budget work sessions, potential capital projects are discussed enabling the City Council to review staff recommended projects and make any necessary changes. When consensus is reached on the capital projects and proposed funding sources, the staff will prepare a formal Five-Year Capital Improvement Plan (CIP) document that will be presented to the City Council. The adoption of this document commits the City Council to spend money on projects listed in the current fiscal year only.

The City can face significant changes in economic conditions, funding sources and political priorities every year. Therefore, the Five-Year Capital Improvements Plan (CIP) must be annually updated.

Section 7. CAPITAL PROJECT PRIORITY CRITERIA

Capital projects are prioritized using revenue generating and cost avoidance considerations; health, safety and welfare considerations; level of service considerations; maintenance considerations; aesthetic considerations; and leverage and timing considerations.

Revenue Generating and Cost Avoidance Considerations.

Projects that enhance revenues or reduce costs will be given first priority in order to improve the financial position of the City and enhance the ability to do future projects or deliver high levels of municipal services. New commercial, residential and industrial development must pay for its infrastructure either by constructing these items or paying impact fees.

Health, Safety and Welfare Considerations.

One of the primary purposes of government is to provide for the health, safety and welfare of its citizens. The City must provide safe drinking water, safe streets, as well as adequate police protection, solid waste disposal, and storm water disposal and treatment of municipal sewage.

Level-of-Service Considerations.

Many older City developments were constructed decades ago and many newer developments do not meet minimum levels of service as established by the federal government, state government, county government or generally accepted engineering standards.

Maintenance Considerations.

All public improvements must be maintained after the construction is completed. Maintenance staffing and equipment are critical elements that must be considered in project prioritization and must be funded on an on-going basis with revenue sources other than capital improvement funding. The nature of some projects may cause a reduction in maintenance.

Aesthetic Considerations.

Community appearance and aesthetics are important elements in the quality of life in the community. City aesthetics and appearance helps attract new residential, commercial and industrial developments to the City. Lindsay has buildings and public infrastructure that need to be replaced and upgraded to create a more attractive community.

Leverage and Timing Considerations.

Projects that may be funded by entitlement grants or competitive grants from the federal, state and county governments will be considered based on the availability of funds and the requirements of the granting agency. In addition, the City Council may accelerate capital projects where the City has the opportunity to participate in partnership with other public or private entities or where timing is critical or funding may be lost.

Article XII: BUDGET POLICIES

Section 1. INTRODUCTION

The annual budget conforms to Lindsay's Strategic Plan and City Council goals and objectives and is the primary mechanism for their implementation. The budget is a policy document, operations guide, financial plan and a communications device. It is the single most important means of setting spending policies and priorities in the City. It constitutes approval by the City Council of service levels and operating programs and provides resources to finance them. Expenditures must be kept within total appropriations for all Accounting Funds.

Section 2. FUNDING PUBLIC SERVICES

Adequate revenue streams are important to fund municipal services determined appropriate by the City Council. It is the policy of the City Council to take appropriate steps to ensure full and continued funding for services, programs and facilities that the City is required to provide by law or regulation or elects to provide. Pursuant to this policy the City will:

New or Expanded Programs.

The City will consider requests for new or expanded programs during the course of the regular budget process. Only in extreme circumstances will such requests be considered during the middle of the year.

Monitor Revenue Sources.

All revenue sources will be monitored to maximize revenue collections and provide early warning if revenues fail to meet projections.

Federal, State and Private Grants.

The City will pursue federal, state and private grants, but will strictly limit financial support of these programs to avoid commitments which continue beyond available funding.

New Revenues and Revenue Diversification.

The City will continuously seek new revenues and diversify its revenue sources to provide resource stability and limit the dependence on single or a small number of revenue sources.

Section 3. BALANCED BUDGET

The City of Lindsay will live within its means. All City departments, activities and programs must function within the limits of the financial resources identified and available specifically to them by the City Council or the City Manager. Lindsay will adopt a balanced budget that maintains a balance between all fund revenues and personnel, maintenance and operations, capital and debt service expenditures during the current budget period and over the long term. Lindsay will not spend beyond its revenue streams means no matter how meritorious the program or proposed expenditure.

As stated above in the accounting policies section, the City uses the modified accrual accounting basis in recognizing revenues and expenditures for the purpose of determining a balanced budget. The City Council with the recommendation and input of the City Manager and the City's independent certified

public accountants ultimately determines whether there is a balanced budget. The point at which the budget must be balanced is at the end of the fiscal year.

The City Manager has the authority to reduce, augment or realign the budgets of each accounting fund or to transfer funds within each accounting fund during the fiscal year to maintain a balanced budget. Staff will disclose to the City Council when there is a temporary annual budget shortfall or annual operating deficit. The following policies are followed to insure a balanced budget.

Revenue Estimates.

Revenue estimates will strive for accuracy by coming as close as possible to the actual outcome. However, the forecasting of sharp turns in the national, state and local economies is always problematic. Revenue forecasting is not an exact science and at times relies upon the best professional judgment of the forecaster. To reduce the risks of miscalculating revenues or expenditures, the City attempts to identify as many factors as possible that may contribute to changes in revenues and expenditures.

Current Appropriations.

Current appropriations in all funds are limited to the sum of available, unencumbered cash balances and revenues estimated to be received in the current budget period. Use of unrestricted fund balances is appropriate, but will be carefully scrutinized.

Special Revenue Funds and Capital Project Funds Supported by Grants or Intergovernmental Revenues.

Expenditures in these funds are strictly limited to the mandates of the funding source. Special Revenue Funds and Capital Project Funds supported by grants or intergovernmental revenues are strictly limited to the mandates of the funding source. These funds are not to be used to subsidize other funds, except as required or permitted by program regulations.

Enterprise Funds.

Enterprise Funds will be self-supporting entities through annual reviews of their fee structures, charges for services, and other operating revenues and expenditures.

Internal Service Funds.

Sufficient charges and rate schedules shall be levied to support operations of internal service funds. No trend of operating deficits shall be allowed. Services shall be scaled to the level of support available from these charge backs.

User Charges and Fees.

Sufficient user charges and fees shall be pursued and levied to support the full cost (operating, direct, indirect and capital) of operations. Market rates and charges levied by other public and private organizations shall be considered when establishing tax rates, fees and charges.

New Revenues.

New and expanded unrestricted revenue streams shall be first applied to support existing programs prior to funding new or expanded programs.

Restricted and Unrestricted Financial Resources.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources.

Multi-Year Capital Cost Projections.

Multi-year capital cost projections shall be prepared and updated each year to identify the impact on resources.

Five-Year Capital Improvements Plan.

A Five-Year Capital Improvements Plan shall be prepared and updated each year. The operating impact of each project shall be identified and incorporated into annual operating budgets. Capital assets shall be purchased and maintained on a regular schedule.

Use of Fund Balance.

Unrestricted (unreserved) fund balance will only be used for capital expenditures or one-time projects if the total fund balance exceeds 95% of the previous year's fund revenues. Fund Balance will only be used for operating expenses in the event of an economic down turn that reduces projected revenues or to cover unanticipated revenue shortfalls.

Section 4. BUDGET APPROPRIATIONS

All City Accounting Funds are included in the annual budget and all revenues and other financing sources are appropriated by the City Council each fiscal year in the annual budget. All Accounting Funds are included in the City's annual audited financial statements, reviewed by the City's independent certified public accountants. The accounting basis in the City's annual budget is the same as the accounting basis used in the City's annual audited statements. Annual operating budgets in the General Fund and Enterprise Funds are carefully reviewed to insure that budget appropriations reflect appropriate funding for service levels established by the City Council.

Appropriations Limit.

Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must be either refunded to the State Controller or returned to the taxpayers through revised tax rates, revised fee schedules or other refund arrangements.

Proposition 218.

Proposition 218, which was approved by the voters in November 1996, regulates the City's ability to impose, increase and extend taxes, assessments, and fees subject to the provisions of Proposition 218, require voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters.

Section 5. BUDGETARY CONTROL AND ACCOUNTABILITY

The budgetary control and accountability is maintained at the department level. The City Council has the authority to adopt the annual budget and transfer budget appropriations between funds. The City Manager acting as the City's Budget Officer, has the authority to transfer budget appropriations within funds, departments and individual line items to maintain a balanced budget. The Finance Director shall provide quarterly updates on the budget to the Council and include notations regarding any budget adjustments. Budget Amendments must be presented and approved by Council.

Unexpended Appropriations.

Encumbrances outstanding at year-end are reported as reservations of fund balances because the commitments will be honored during the subsequent year. Unexpended appropriations cannot be used in subsequent years.

Section 6. BUDGET ADOPTION PROCEDURES

Budgetary procedures for the City have been established by the City Council, which require the legal adoption of a budget for all Accounting Funds. The following are the administrative procedures followed by the City in its budgetary process. *(Please also see Figure 17.)*

Budget Preparation.

Department heads prepare proposed operating and capital budgets, as well as department goals and performance standards for the coming fiscal year based on guidance provided by the City Manager and City Council. These proposed budgets, goals, and performance standards are submitted to the Finance Director no later than March 1. The Finance Director and City Manager review the information prepared by department heads and prepares the proposed budget for the coming fiscal year for the City Council.

Budget Presentation.

During the month of May, the City Manager, authorized by the City Council to act as the Budget Officer, submits a proposed operating and capital budgets for all Governmental, Proprietary and Fiduciary Funds to the City Council for the subsequent fiscal year. The budget documents illustrate proposed financing sources along with the proposed operating and capital budget expenditures.

Budget Work Meetings.

The City Council holds one or more public budget work meetings to review the proposed annual budget and receive public input.

Budget Public Hearing.

A public hearing is held to receive comments on all aspects of the proposed budget. A notice in the local newspaper precedes the hearing. The notice is given at least ten days before the hearing and includes the time, date and place of the hearing. All budget documents are required to be available at least seven days prior to the public hearing.

Budget Adoption.

A final budget is adopted by the City Council for the subsequent fiscal year beginning July 1. Since City revenues are highly dependent upon the actions of the State Legislature, final budget adoption may be delayed in any given year until the Governor and State Legislature adopt a state budget.

Figure 17 Annual Budget Calendar		
Annual Budget Event	Time	Comments
Department heads submit proposed operating and capital budgets, goals and performance standards to City Manager	March 1	City Manager and Finance Director take information prepared by department heads and prepare the proposed budget for coming fiscal year.
City Manager presents proposed budget to City Council	May	Proposed operating and capital budgets for all Accounting Funds is distributed to public, press and City Council. Copies are available for public review at City Hall and on City website.
City Council reviews budget in work meetings	May and June	City Council conducts reviews during work meetings and invites public participation and input.
Public Hearing	June	Public is invited to comment on proposed annual budget. City Council makes final budget changes. City Manager incorporates changes made by City Council into final budget document.
Budget Adoption by City Council	June 30	Final budget is adopted by the City Council. Since City revenues are highly dependent upon the actions of the State Legislature, final budget adoption may be delayed in any given year until state budget is adopted.

ARTICLE XIII: Information Technology & Resources (ITR) System Security Policy & Controls Standards

Scope

The Information Technology System Security Policy & Controls Standards apply to all information obtained, created, or maintained by the agency's automated and financial software system. These standards apply equally to all levels of management and to the personnel they supervise. Further, these Policy Standards apply to all information generated by the agency Information Technology functions, through the time of its transfer to ownership external to the agency to its proper disposal/destruction.

Audience

These Policy Standards apply equally to all personnel including, but not limited to, the agency's employees, agents, consultants, volunteers, and all other authorized users granted access to ITR.

Definitions

Information:

Any and all data, regardless of form, that is created, contained in, or processed by, ITR facilities, communications networks, or storage media.

Information Resource (IR):

Any and all computer printouts, online display devices, magnetic storage media, and all computer-related activities involving any device capable of receiving email, browsing Web sites, or otherwise capable of receiving, sorting, managing, or transmitting electronic data including, but not limited to, mainframes, servers, personal computers, notebook computers, hand-held computers, personal digital assistants (PDA), pagers, distributed processing systems, telecommunications resources, network environments, telephone, fax machines, printers and service bureaus. Additionally, it is the procedures, equipment, facilities, software, and data that are designed, built, operated, and maintained to create, collect, record process, store, retrieve, display and transmit information.

Application of Policy Standards

Violation / Disciplinary Actions

The agency will protect the ITR assets of the City of Lindsay in accordance with policies and procedures set herein:

Specifically, the agency will apply policies, procedures, practice standards, and guidelines to protect its ITR functions from internal data or programming errors and from misuse by individuals within or outside the agency. This is to protect the city from the risk of compromising the integrity of city programs, violation of individual rights to privacy and confidentiality, violating criminal law, or potentially endangering the city's valuable ITR assets and information.

Any event that results in theft, loss, unauthorized use, unauthorized disclosure, unauthorized modification, unauthorized destruction, or degraded or denied services of ITR, conditions a breach of security and confidentiality. Violations may include, but are not limited to any act that:

- exposes the city to actual or potential monetary loss through the compromise of ITR security,
- involves the disclosure of sensitive or confidential information or the unauthorized use of city data or resources,
- involves the use of ITR for personal gains, unethical, harmful, or illicit purpose, or,
- results in public embarrassment to the city.
- formal reprimands
- suspended or restricted access to city ITR
- restitution or reimbursement for any damage or misappropriation of any city property or programs
- suspension without pay
- termination of employment
- termination of contract
- civil prosecution
- state and/or federal prosecution

Policy Standards

All users with access to the City Financial Management System must have a unique pass code that identifies them as the user.

Pass codes are to be updated and changed by the system administrator on a semi-annual basis.

Passwords shall be protected by the individual user from use by, or disclosures to, any other individual or organization. All security violations shall be reported to the department head or system administrator.

Users shall be granted only the access privileges necessary to perform their job duties.

ITR security controls must not be bypassed or disabled.

Security awareness of personnel must be continually emphasized, reinforced, updated, and validated by Department Heads and System Administrator(s).

Access to, change to, and use of ITR must be strictly secured. Information access authority for each user must be reviewed, on a regular basis, as well as each job status change such as: a transfer, promotion, demotion, or termination of service - and the appropriate action taken regarding the pass code and/or granted privileges to the respective users.

Users with a higher degree of access and privilege codes shall be more closely monitored than lesser privileged employees.

The user of ITR must be for officially authorized business purposes only. There is no guarantee of personal privacy or access to tools such as, but not limited to: email, Web browsing, and other electronic discussion tools. The use of these electronic communications tools may be monitored to fulfill complaint

or investigation requirements; all communications on city computers are subject to the Public Records acts.

All computer software programs, applications, source code, object code, documentation and data shall be guarded and protected as if it were city property.

The sale or release of computer programs or data, including email lists and departmental telephone directories, to other persons or organizations must comply with all agency legal and fiscal police and procedures.

The integrity of general use software, utilities, operations systems, networks, and respective data files are the responsibility of each individual department in which the system is located.

All departments must carefully assess the risk of unauthorized alteration, unauthorized disclosure, or loss of the data for which they are responsible and ensure, through the use of monitoring systems, that the city is protected from damage, monetary or otherwise. Each department head shall carefully assess and determine that the physical security of each system within their department is within standards reasonable and appropriate to prevent theft or water damage. All departments must have appropriate backup and contingency plans for disaster recovery. All systems are to be adequately supported with power-surge protection and back-up batteries and shall be networked to the main back-up server.

The backup server is to be located in a secure location, inaccessible to the public and with limited employee access.

Adherence to all other policies, practice standard, procedures, and guidelines issued in support of these policy statements is mandatory.

Financial Management and Accounting Procedures

Overview

The management of the City of Lindsay (COL) is responsible for establishing and maintaining a system of internal accounting control. In fulfilling this responsibility, estimate and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of the system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with generally accepted accounting policies.

The Financial Management and Accounting Procedures Manual is intended to be a guide of the fiscal policies and procedures of COL. The manual will serve both the management and the accounting staff to maintain good internal accounting and administrative controls; assist in the expected flow of accounting; and to establish a uniform and systematic accumulation of information and statistical data necessary to fulfill the financial and accounting requirements of COL.

Annual audits of COL by an Independent Certified Public Accountant will be performed in accordance with our City Charter and the State of California audit requirements. The California Legislature has mandated the performance of financial audits for all local governmental entities in the State of California.

A single audit report is also prepared 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 (GAAP) issued by the Comptroller General of the United States and in conformance with OMB Circular A-133.

COL's annual audit is routinely filed with each member of government, including the Tulare County Association of Governments (TCAG), the California State Controller's Office, HUD, Caltrans, and all lenders and/or bond holders as may be required.

COL prepares its financial statements in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. The more significant of COL's accounting policies are described below:

Reporting Entity

The Director of Finance is the designee of the City with the primary responsibility to ensure compliance with accounting policies and procedures by all city staff; to maintain accurate and up-to-date accounting records; to assist department heads with budget development; to supply other departments with revenue and expense reports on a regular basis; to provide financial reports to the City Manager and the governing body; and to act as liaison between the Independent Auditor and finance staff to facilitate preparation of the financial statements and single audit report.

Basis of Presentations - Fund Accounting

COL uses funds and account groups to report on its financial position and the result of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

Funds and account groups are organized and accounted for as separate fiscal and accounting entities with self-balancing sets of accounts. COL uses the following fund types and account groups:

COL Fund Types

Functions of the COL that are principally supported by taxes and intergovernmental revenues are accounted for under governmental activities while functions that are intended to record all, or a significant portion of their costs through user fees and charges are identified as business-type activities. The governmental activities of the COL include general government, public safety, highways and streets, economic development, and culture and recreation. The business-type activities of the COL include Water, Sewer, Refuse, and the Lindsay Wellness Center.

Measurement Focus and Basis of Accounting

COL uses the modified accrual basis of accounting which means revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized in the accounting period in which the liability is recorded (this occurs when the check is generated and posted to the general ledger) which shall be within 30 days of receipt of an approved invoice; all expenditures incurred in one fiscal year shall be recorded in that fiscal year.

Budgetary Principles

On, or before April 15, the Director of Finance shall meet with each department head regarding projects and needs for the upcoming year as part of the budget process; COL shall prepare a DRAFT budget for the ensuing fiscal year to commence on July 1 and shall submit the same for approval by the governing body for the carrying out of governmental activities and business-type activities for the year. Any use of amendments to the budget shall be at the discretion of the governing body and submitted to same by May 1st of the current fiscal year. Operating budgets are prepared on the modified accrual basis of accounting. Budgetary control and legal level of control are at the work element level as well as the object level. Amendments, appropriation transfers between work elements and objects, and transfers from contingencies must be approved by the governing body. Supplemental appropriations financed by unanticipated revenues must also be approved by the governing body. The Director of Finance shall prepare and present quarterly budget reviews to the governing body in the month immediately following the end of a quarter. Budget amendments or appropriation transfers between elements shall be presented at the mid-year and fiscal year end quarterly reviews.

Investments

Investments are stated at fair value as determined by quoted market prices. Changes in the fair value of investments are included with all other investment income in the operating statement. The Director of Finance shall prepare and present a monthly Treasurer's Report that denotes the name of the depository for each account and amount of cash therein.

ARTICLE I. ORGANIZATION OF ACCOUNTING SYSTEM

Section 1. GENERAL

Financial records shall be maintained in accordance with generally accepted accounting principles, applicable grant agreements, OMB Circular A-87, OMB Circular 133, and applicable county, state and federal regulations.

Section 2. MEASUREMENT FOCUS

The COL shall utilize the "spending" measurement focus. This focus requires that only current assets and current liabilities are generally reported on the balance sheet and the operating statement present financial flow information (i.e., revenues and expenditures).

Section 3. BASIS OF ACCOUNTING

Financial transactions shall be accounted for by the use of the modified accrual basis of accounting, whereby revenues are recognized when they become both measurable and available to finance expenditures of the current period, and expenditures are generally recognized when the related fund liabilities are incurred.

Section 4. FUNDS AND ACCOUNT GROUPS

The COL shall maintain separate and distinct funds to ensure proper segregation of assets and liabilities; to ensure proper enterprise fund maintenance for all business-type activities; to record and track all grant funds; to ensure proper segregation of all funds for accuracy in tracking and maintenance of all governmental activities.

Section 5. INTERNAL CONTROLS

COL shall organize and assign work duties and responsibilities in a way that ensures that established procedures shall require proper authorizations by designated officials for all actions taken and include the proper separation of duties.

Section 6. RECORDS AND REPORTS

COL shall keep and maintain complete and accurate financial records and prepare required reports in accordance with the uniform system of accounts and records, adopted by the Controller of the State of California. In maintaining records and preparing reports, COL shall reconcile financial information in a timely manner.

ARTICLE II. REVENUES

The Finance Department shall be responsible for recording all revenues, from all sources, to the general ledger. Assigned finance staff shall be responsible for the monthly utility billing, quarterly business license billing, other miscellaneous billings and loan draws as dictated by budgeted project activities. All departments that generate revenue must report to the Finance department.

Section 1. GRANTS

It shall be the responsibility of the City Manager, the Director of Finance, and staff, or contracted consultants under the direction of the City Manager, to prepare applications for intergovernmental financial assistance and to make new additional applications from time to time, as appropriate.. All draw requests for awarded grants must be approved by the City Manager and Director of Finance prior to submission (see Article III: Grant Funding and Compliance Policy for full details).

Section 2. FEES AND CHARGES

The finance staff shall bill and/or charge fees for services according to the method and or amount established by the governing board and in accordance with the city ordinance pertaining to same.

Section 3. LOANS

COL may acquire the funds necessary to meet financial obligations by means of loans from either public or private entities. All loans shall be approved by resolution of the City Council and may not exceed the standard limit as set forth by the Controller of the State of California.

Section 4. INVOICING AND ACCOUNTS RECEIVABLE

Unless otherwise stipulated by contract of necessity, COL shall maintain its accounts receivable and invoice the accounts maintained therein on a monthly or quarterly basis. The Director of Finance shall determine any amounts that are deemed uncollectible and get approval from the City Manager before writing them off; all amounts "written-off" shall be duly documented and reviewed by the independent auditor during the annual audit.

Section 5. RECEIPTS

All receipts shall be processed in accordance with the following procedures:

Receipts

Beginning cash balances for all departments are designated as restricted funds and may not be altered without written authorization from the Director of Finance. The following designated areas shall maintain a starting cash balance, which is to be verified at the start of the workday and again at the end of the workday:

- Wellness Center: \$200.00
- Finance Department: \$500.00

- Public Safety: \$200.00
- City Services: \$50.00

Each department, including the Wellness Center, Finance Department, Public Safety, and City Services, shall reconcile and remit all receipts to the Finance Department at the close of business every day. In the event of a designated holiday, reconciliation and remittance should be completed on the next business day. Throughout each day, all receipts within each department shall be secured in a designated locked cabinet, accessible only by the respective department head.

For departments whose hours of operation do not align with those of the Finance Department, the reconciliation and remittance of receipts should be made on the next business day. This ensures proper accounting and security of funds across differing schedules.

Receipts received over-the-counter must have supporting documentation to ensure proper posting to the customer's account and/or the general ledger revenue line. All receipts must be date-stamped. Checks or warrants received by mail shall 1) be channeled by the mail clerk to the front desk clerk for input into the accounting system via the receipts manager software, 2.) supporting documentation accompanying a check or warrant shall be stamped with the date of receipt or 3.) any payment not including supporting documentation shall be verified with the sender and the supporting documentation shall be created by staff and 4.) staff shall identify the remittance and shall affix the proper fund number and revenue code to the supporting documentation, if needed. On days when there is a very large volume of mail, other finance staff may be assigned to assist with data input of the check batch which must be balanced - receipts to checks -with proper documentation (register output & calculator tape) that the batch was balanced and recorded correctly. All checks and warrants shall be placed in the locked cash drawer until the end of the business day when it will be locked in a bank bag in the vault until the following workday when a second clerk shall balance the daily transaction register and compile the receipts for deposit to the bank the next business day. Finance staff is responsible for billing and collecting receivables. Finance staff shall maintain accurate records of all billing and receivables and reconcile them on a timely basis.

Delivery of Non-Finance Department Receipts

The Wellness Center shall reconcile and remit all receipts to the Finance Department before the close of the business day every Friday of the week, unless that Friday is a holiday, and then it is the Monday thereafter. During the week, all receipts shall be locked in a secure vault to which only the Wellness Director and their designee shall have the security code. Weekly delivery of receipts does not relieve any of the daily cash reconciliation requirements of the department.

The Public Safety Department and City Services Department shall be on a daily remittance schedule for all receipts received in that Department. Receipts not delivered same day shall be maintained in a locked cabinet prior to remittance to the Finance Department no later than the following business day.

No Department shall hold receipts for more than one week prior to remittance to the Finance Department. All deposits or remittance detail must have the appropriate supporting detail attached. The Finance Department shall verify all incoming deposits and record the detail to the General Ledger the

same day it is received in the Finance Department. Finance staff shall reconcile all receipt transactions, denoted by receipt type, i.e. cash, check, voucher, other (EFT) and deposit all receipts into the appropriate account on a daily basis according to the established cash receipts policy.

Finance staff is authorized to record the appropriate accounting entry into the general for all transactions imbalances as a result of miscounted money, rounding, incorrect customer refunds, and whether positive or negative, ledger and shall notify the responsible department.

Balancing the Transaction Ledger & Bank Deposits

A clerk other than the front desk clerk shall balance each day's work the first business day immediately following the receipt. Any discrepancies are to be reported to the Director of Finance. Any necessary adjustments must be pre-approved by the Director of Finance and an adjustment ledger maintained with the date, original coding/ adjustment, correct coding/ amount, and staff initials.

Once the daily transactions have been balanced, the detail ledger shall be maintained, by month, in a ledger binder for ease of reference and the amount(s) recorded to a Deposit Log that denotes the amount, type, and specific bank account to which the deposit was made.

The deposit shall be compiled with receipts separated according to depository account (i.e. general receipts, impound account, restricted grant funds, etc.) with each deposit account denoted on the summary page and shall be reviewed and initialed by the Finance Director, or departmental supervisor for accuracy.

A clerk shall take the deposit to the bank in a sealed deposit drop envelope. The bank-stamped deposit slip shall be reviewed and initialed by the Director of Finance or departmental supervisor prior to being attached and filed with the supporting documentation. The Director of Finance or designee shall maintain a binder of the daily deposits and interface and post the cash receipts to the general ledger.

All cash and checks shall be maintained in either a locked drawer or locked cabinet within the vault (which is locked and alarmed during non-work hours) at all times and at no time shall be left unattended in an unsecured location.

The Finance Director is authorized to perform routine register audits in any department receiving revenue to ensure compliance with this policy. These audits may be announced or unannounced at the Discretion of the Finance Director.

ARTICLE III. EXPENDITURES

Section 1. PAYROLL

Each Department head, or their assigned supervisor, is responsible for ensuring the proper recording of time worked, or compensated absences that are considered time worked, for all employees under their direction and charged to their budget.

Time sheets are to be kept daily by each employee. Exempt employees are to keep a time sheet if any of their time is to be charged to a specific project or grant for which reimbursement will be sought from another intergovernmental agency. Only actual time worked may be charged to a grant-funded project; leave time may not be charged to a grant-funded project and only benefits relative to actual time worked may be charged against a grant. City Services field personnel shall keep time sheets with fund allocations denoted at the time worked. (see Exhibit No. 1 Sample Time Sheet

Overtime, including compensated leave accrual in lieu of overtime, and time off must be pre-approved and the time sheet shall include the initials of the department supervisor.

All payroll items are to be forwarded to the finance department for processing no later than noon on the Tuesday prior to a Friday payday.

Section 2. BENEFITS

All benefits are covered in either the employee manual or the bargaining unit M.O.U.

Section 3. TRAVEL & REIMBURSEMENT

The City Manager is charged with the responsibility of approving or disapproving requests for travel related to COL business. Each Department Head shall maintain a copy of the travel policy and applicable forms at the department level to be filled out by the requesting employee for pre-approval prior to engaging in any travel and/or training.

The Department Head shall verify there are adequate funds still available in the travel and/or training budget before granting approval of the request. The Department Head shall code the request according to the applicable project or work activity that will benefit.

Every request for travel or training must include documentation as to the purpose of the travel and/or the benefit to the City of the training. (see Exhibit No. 2 Travel Expense Form)

The Director of Finance shall review, verify, and approve all expense claims.

Lodging

Costs shall be reimbursed at actual cost, single rate, plus tax, for each day of travel during overnight lodging. In no instance, may the cost exceed \$189 per night. Supporting documentation must be provided. A discounted government rate is to be requested and a TOT exemption form is to be presented. If not honored, it should so state by hotel staff and be returned along with the hotel receipt.

Meals

Per Diem is not allowed for trips lasting less than 24 hours. When a city credit card is used for a meal during any day during a trip, the COL per diem rate cannot be used for that day, or for the trip. An

original receipt, matching the credit card charge, must be presented to finance upon return of the credit card or the employee shall be responsible for that charge. Any alcohol on the receipt shall be disallowed. Receipts are not required for the per diem election which shall be at the rates of \$11 for breakfast, \$17 for lunch, and \$22 for dinner for a maximum meal allowance of \$50 per day which includes a 15% tip allowance. One cannot claim reimbursement for provided meals; continental breakfast does not qualify as a provided meal. If traveling more than 24 hours, the following times determine which meals one may claim:

Breakfast on the first day if trip started at, or before, 6am

Lunch on the first day if trip started at, or before, 11 am

Dinner on the first day if trip started at, or before, 5pm

Breakfast on the last day if trip ended at, or after, 8am

Lunch on the last day if trip if ended at, or after, 2pm

Dinner on the last day if trip ended at, or after, 7pm

Mileage

A COL employee should always use a COL vehicle when available to do so. If a vehicle is not accessible, then an employee may use a personal vehicle. In this instance, the department head must give pre-approval for use of the personal vehicle which shall be reimbursed at the current federal mileage reimbursement rate. Any employee receiving a vehicle allowance is required to use their personal vehicle and mileage is not paid. In this instance, a fleet vehicle may be used for travel in excess of 100 miles.

Reimbursement

Upon return, an employee shall complete and submit a "Claim for Reimbursement" accompanied by all required supporting documentation. Costs not adequately supported shall NOT be reimbursed. Payment shall be processed pursuant to the procedures defined herein. An employee has 60 calendar days from the end for the month of return to submit reimbursement requests for the prior month or the request will be deemed ineligible and shall be denied.

Advances

Advances in travel reimbursement may be authorized by the City Manager, subject to a full accounting of the travel costs after travel has been completed. All employees shall fill out the request forms at least 2 weeks prior to the proposed travel date to receive an advance; tuition and lodging should be prepaid whenever possible. Use of the city credit card should be limited as much as possible. In the event a full accounting of, or repayment of, unexpended advance is not made within thirty (30) days, the advance will be deducted from the next employee salary check. Repeated failure to liquidate travel advances on a timely basis will disqualify an employee from future advances.

Section 4. PAYMENT PROCESSING

Upon receipt of an invoice, or similar claim for payment, the request shall be routed to the department responsible for the agreement with the vendor / contractor for verification, coding, and approval by the department supervisor or the department head.

The responsible employee shall verify that the service or supply has been provided / received as stated on the invoice. The original invoice shall be stamped with the coding stamp, dated, coded, and initialed before forwarding to the finance department for payment processing.

The Accounts Payable clerk shall verify the name and identifying number of the vendor, the invoice number, and the coding to the appropriate GL number based on the codes provided by the approving department. The Accounts Payable clerk is authorized to make additional requests for information on any charge prior to processing invoice for payment.

The Director of Finance shall review the prepared documents, verifying the budget code is correct, appropriate supporting documentation attached (invoice, letter of engagement, contract, or contract change order, etc.) and initial approval before a check may be processed and printed.

Invoices that are properly coded and authorized are to be batched and input according to a unique batch number into the accounting system by the Accounts Payable clerk. The batch is to be proofed for errors by the Director of Finance or their designee. The Director of Finance, or their designee, shall then take the check stock from the locked cabinet in the vault, note the beginning and ending check number on the AP journal, and place the stock in the printer.

Once printed, the Director of Finance, or their designee, shall personally sign each warrant. Once signed, a copy of the warrant shall be made and affixed to the supporting documentation which is then filed, by batch, in the AP file cabinet. Warrants in excess of \$10,000 (Ten Thousand Dollars) shall require a second signature from one of the members of the governing body or a member of City Staff designated mid-management level or above and so authorized to sign.

All outside wire transfers initiated by the Director of Finance shall have the authorizing initials of the City Manager. Intra-account transfers within the same bank do not require a second signature.

Section 5. PAYMENT VERIFICATION AND RECONCILIATION

All reports for each batch of warrants shall be run immediately following the check run and filed in the appropriate ledger.

The Director of Finance, or their designee, shall reconcile the bank accounts monthly, including clearing the outstanding checks in the system, determining if any checks remain outstanding for more than two months and taking the appropriate steps (i.e. stop payment request, void and reissue), with the approval of the Director of Finance to reconcile the check.

A check register is to be printed, from the accounting system, to be included on the council agenda for review by the governing body and other interested parties of all warrants processed in the time period immediately preceding the council meeting and subsequent to inclusion on a previous agenda.

Section 6. CREDIT CARD & CHARGE CARD PROCEDURES

All City charge cards are to be kept locked in a cabinet in the Finance Department vault and must be signed in and out for each use on a ledger maintained by the Finance Department. No charge cards may be kept in excess of 48 hours, unless the employee is on travel, and all purchases must be pre- authorized by the Department Head. NOTE: Employees Mid-Management or above with individually issued credit cards are the only exceptions to the 48-hour rule and may maintain their cards in their possession.

All charges using a credit, account card, or store charge must be fully supported with the original receipt and attached to an authorized COL charge slip form (see Exhibit No.4 Credit Card Purchase Form) in order to be valid. Any employee not obtaining pre-approval for a charge or providing an original receipt (or lost-receipt form) will be responsible for the charge.

All store charge-account-authorized-employee-lists are to be updated semi-annually in January and July of each year; employees whose authorization has been withdrawn, or who are no longer with the COL, shall have their name removed from the authorized user list.

Fuel cards provided to city employees that qualify are to be used for city vehicles only; any use outside city limits must be approved by the department supervisor and substantiated as approved travel. Failure to adhere to the guidelines will result in the fuel card being revoked.

Additional policies and procedures are contained within a separate internal control policy specific to Credit and Charge cards that is attached at the end of this document and is to be considered an integral part of the COL overall Internal Control Policy. (Attachment No. 1)

ARTICLE IV. FIXED ASSET PROCEDURES

Section 1. GENERAL

Fixed Assets shall be defined as those items of tangible property which are of significant value, and which have a useful life in excess of one year. The primary purpose of accounting for fixed assets shall be as follows:

1. To safeguard and track investments;
2. To assign custodial responsibility;
3. To aid in scheduling future asset retirement and acquisition;
4. To supply financial reporting data;
5. To ensure compliance with applicable local, state, and federal requirements.

Section 2. CAPITALIZATION & DEPRECIATION

Individual inventory records shall be established and maintained in accordance with the following capitalization policy:

Equipment: All equipment is to be tracked by the COL. Unit value shall be set at an amount equal to the original cost of the acquisition, plus any costs associated with bringing the asset into an operational or useful condition. Such costs, included, but are not necessarily limited to, taxes, freight, installation, testing and related costs. In cases where an asset has been acquired by gift, or other means by which costs are not readily available, cost shall be established using an estimate of fair market value. All items valued in excess of \$1,000, and with a useable life in excess of one year, are to be identified and tagged with an inventory serial number. All items valued in excess of \$15,000 are to be tracked in the COL Fixed Asset System per GASB 34. The annual depreciation expense is to be posted to the financial statements annually.

ARTICLE V. GRANT TRACKING PROCEDURES

Grant funding source activity is managed by the Director of Finance and is tracked in the following manner: A copy of the signed grant is filed with the Finance Department. A grant tracking spreadsheet shall be developed and maintained by the department that wrote the grant and is the primary beneficiary (i.e. FTHB grant awards shall be tracked and maintained by the Housing Department; SRTS, Measure R Transportation Projects, etc. shall be tracked and maintained by City Services as the work is performed) and all financial data shall be routed through the Director of Finance for review and approval to ensure secondary oversight for compliance with grant requirements. The spreadsheet reports information on all funding sources including: original dollar amount of the grant, beginning and ending dates, extensions of terms and amounts, if any, draw downs, and available balances. The grant tracking spreadsheet is updated continually and is periodically reviewed by the Director of Finance to ensure compliance with the grant award agreement. *(See Article VI. Procurement Policy.)*

The following Exhibits are considered an integral part of this document:

EXHIBITS

Exhibit No. 1 Sample Time Sheet

Exhibit No. 2 Travel Expense Form

Exhibit No. 3 Purchase Order Form

Exhibit No. 4 Credit Card Purchase Form

Exhibit No. 5 Insurance Requirements & Transfer of Risk Matrix

Exhibit No. 6 Purchasing Threshold Matrixes

The following Attachments are considered an integral part of this document:

ATTACHMENTS

Attachment No. 1 FEDERALLY FUNDED PROCUREMENT - 2 CFR 200

Attachment No. 2 LOCAL ASSISTANCE PROCEDURES MANUAL (LAPM), CHAPTER 10 - CONSULTANT'S SELECTION

Attachment No. 3 DAVIS BACON AND RELATED ACTS POLICY

Attachment No. 4. FEDERAL FINANCIAL MANAGEMETN POLICIES (24 CFR PART 85)

Attachment No. 5 INSURANCE REQUIREMENT MATRIX

EXHIBIT NO. 1: Sample Time Sheet

City of Lindsay: Time Sheet

DATE	Sunday	Monday	Tuesday	Wednesda	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesda	Thursday	Friday	Saturday	TOTAL
LEAVE															
Holiday															
Vacation															
Sick															
Dr. Appt.															
Furlough															
TOTAL LEAVE															
Hours Worked															
Day Shift In															
Day Shift Out															
Night Shift In															
Night Shift Out															
Total Regular Hours															
Total Overtime Hours															
Total Hours & Leave															
Worker's Comp															

EXHIBIT NO. 2: Travel Expense Form

City of Lindsay: Travel Expense Form

Name _____ Department _____

Position _____

Purpose of Travel _____

Location (City) _____ State: _____

Method of Travel: City Vehicle Personal Vehicle Air Other _____
(Specify): _____

Budget Account Number: _____

Cash Reimbursement: _____

Dates									
	SUN	MON	TUES	WED	THUR	FRI	SAT	Total Credit	Total Cash
Registration Fee									
Lodging (Room)									
Breakfast									
Lunch									
Dinner									
Snacks									
Taxi									
Bus/Shuttle									
Airfare									
Fuel/Mileage									
Parking									
Tolls									
Telephone									
Misc. (Specify)									
Daily Total									

Total \$ \$

I (Requestee) certify the foregoing expenses were incurred. I have attached all receipts and a copy of the overnight travel request form.

Less: City Credit Card Expenditures _____
Less: Prepaid Expenditures _____

Requestee:	_____	Date:	_____	Less:	Advances	_____
				Less:	Ineligible Expenditures	_____
Department		Date:		Total:	Reimbursement due Employee	\$ _____
Head:	_____		_____			_____
Finance Director:	_____	Date:	_____			

EXHIBIT NO. 3: Purchase Order Form

Purchasing Order

City of Lindsay, California

Ship To:

Order No. _____

Date _____

Dept _____

Req'n No. _____

Acct. No. _____

-

-

-

To:

Acct. No. _____

-

-

-

Acct. No. _____

-

-

-

Acct. No. _____

-

-

-

Desired Delivery Date _____

Quantity	Unit	Fill Order Only Exactly as Specified	Price	Unit	Discounts	Amount
						\$
Estimated Total (Including Tax)						\$

IMPORTANT NOTICE:

Invoices must be made in duplicate and mailed promptly to _____

Department Authority

City of Lindsay Purchasing Department
P.O. Box 369
Lindsay, CA 93247

Finance Director

Invoices must show the Order No. and must state complete or partial delivery. Delivery charges must be prepaid

City Manager

EXHIBIT NO. 4: Credit Card Purchase Form

CREDIT CARD PURCHASE FORM

1. Provide all purchase details
2. Staple receipt to this form
3. Submit to Accounts Payable

Date of Purchase

Credit Card Owner

Credit Card Number

Expenditure/Expense Code
(Department & Account #'s)

Vendor Name

Amount of Total Purchase

\$

Description

Department Head Signature

ATTACHMENT NO.1: Federally Funded Procurement – 2 CFR 200

Council on Financial Assistance Reform Priorities (COFAR) goal is to reduce risk of waste, fraud, and abuse while reducing administrative burdens through the establishment of a Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards (2 CFR 200). The City of Lindsay's policy related to Federally-funded projects and/or grants is established to reflect this goal and be in compliance with 2 CFR 200 contained herein:

As a result, the City will operate with the following regulation for the procurement of property or services stemming from federal aid. This section shall apply to the awarding of sub-grants and contracts by the City stemming from federal grants to the City. This section shall have the same application on the awarding of sub-grants and contracts by the City stemming from state, county or other non-federal government entity grants originating as federal grants.

2 CFR 200

A. The City shall thoroughly review all grant agreements and guidelines to understand requirements as well as deliverables, developing a written checklist and timeline of completion to verify the national objectives are being achieved within the parameters of the grant award/agreement.

B. Determination of Federal Awards Requirements for Pass-thru Agencies, Subrecipients, and Contractors (200.330 & 200.331)

1. The City may concurrently receive Federal awards as a recipient, a subrecipient, and a contractor, depending on the substance of its agreements with Federal awarding agencies and pass-through entities.

Therefore, the City will make a case-by-case determination for each agreement it makes for the disbursement of Federal program funds that the party receiving the funds in the role of a subrecipient or a contractor.

The City will comply with any additional guidance to support these determinations from the awarding agency provided such guidance does not conflict with this section.

1. A subaward is for the purpose of carrying out a portion of a Federal award and creates a Federal assistance relationship with the subrecipient. For purposes of making a determination as a subrecipient the City will consider the following characteristics of a Federal assistance relationship:
 - a. Determines who is eligible to receive what Federal assistance;
 - b. Has its performance measured in relation to whether objectives of a Federal program were met;
 - c. Has responsibility for programmatic decision making;
 - d. Is responsible for adherence to applicable Federal program requirements specified in the Federal award; and

- e. In accordance with its agreement, uses the Federal funds to carry out a program for a public purpose specified in authorizing statute, as opposed to providing goods or services for the benefit of the pass-through entity.
- 2. A contract is for the purpose of obtaining goods and services for the City's own use and creates a procurement relationship with the contractor. For purposes of making a determination as a contractor the City will consider the following characteristics of a procurement relationship:
 - a. Provides the goods and services within normal business operations;
 - b. Provides similar goods or services to many different purchasers;
 - c. Normally operates in a competitive environment;
 - d. Provides goods or services that are ancillary to the operation of the Federal program; and
 - e. Is not subject to compliance requirements of the Federal program as a result of the agreement, though similar requirements may apply for other reasons.
- 3. The Purchasing Agent, or designee, will use their judgement in classifying each agreement as a subaward (Federal assistance relationship) or a procurement contract (procurement relationship). The substance of the relationship is more important than the form of the agreement in making the determination.
- 2. Every subaward will be clearly identified to the subrecipient as a subaward and includes the following information at the time of the subaward and if any of these data elements change, include the changes in subsequent subaward modification. If some of the information is not available, the City will provide the best information available to it.
 - 1. Federal Award Identification data as listed in Section 200.331 (1-4) and appropriate terms and conditions concerning closeout of the subaward.
- 3. Every subrecipient will be subject to evaluation and monitoring by the City as necessary to ensure that the subaward is used for authorized purposes, in compliance with Federal statutes, regulations, and the terms and conditions of the subaward; and that subaward performance goals are achieved. Pass-through entity monitoring of the subrecipient must include:
 - 1. Reviewing financial and performance reports required by the pass-through entity.
 - 2. Following-up and ensuring that the subrecipient takes timely and appropriate action on all deficiencies pertaining to the Federal award provided to the subrecipient from the pass-through entity detected through audits, on-site reviews, and other means.
 - 3. Issuing a management decision for audit findings pertaining to the Federal award provided to the subrecipient from the pass-through entity as required by § 200.521

Management decision.

4. Depending upon the pass-through entity's assessment of risk posed by the subrecipient (as described in 200.331(b)), the following monitoring tools may be useful for the pass-through entity to ensure proper accountability and compliance with program requirements and achievement of performance goals:
 - a. Providing subrecipients with training and technical assistance on program-related matters; and
 - a. Performing on-site reviews of the subrecipient's program operations;
 - b. Arranging for agreed-upon-procedures engagements as described in § 200.425 Audit services.
1. The City will verify that every subrecipient is audited as required by Subpart F
 - Audit Requirements of this part when it is expected that the subrecipient's Federal awards expended during the respective fiscal year equaled or exceeded the threshold set forth in § 200.501 Audit requirements.
2. The City will consider whether the results of the subrecipient's audits, on-site reviews, or other monitoring indicate conditions that necessitate adjustments to the pass-through entity's own records.
3. The City will consider taking enforcement action against noncompliant subrecipients as described in § 200.338.

ATTACHMENT NO. 2

City of Lindsay Purchasing Threshold Matrixes Commodities (Materials & Equipment)

<i>Amount</i>	<i>Conditions</i>	<i>Authorized Buyer</i>	<i>Notes</i>
\$1 - \$10,000	Administrative Process	Department Head	Capital Assets must be listed on Approved Capital Budget
\$10,001 - \$25,000	Approval Memo from the Purchasing Agent	Department Head with Purchasing Agent Approval	Capital Assets must be listed on Approved Capital Budget
\$25,001 - \$50,000	Competitive bidding required: <u>informal written quotes</u>	Purchasing Agent	Capital Assets must be listed on Approved Capital Budget
Over \$50,000	Competitive bidding required: formal RFP or IFB with approval from City Council	Purchasing Agent with Council Approval	Capital Assets must be listed on Approved Capital Budget

Outside Legal Services

<i>Amount</i>	<i>Conditions</i>	<i>Authorized Buyer</i>	<i>Notes</i>
\$1 - \$50,000	Written approval from City Attorney	Purchasing Agent	PA signs contract
Over \$50,000		City Council	Mayor signs contract

Settlements & Other Agreements

<i>Amount</i>	<i>Conditions</i>	<i>Authorized Buyer</i>	<i>Notes</i>
\$1 - \$25,000		City Manager	City Manager signs agreement
Over \$25,000	Outside of CSJVRMA MOC coverage	City Council	Mayor signs agreement

Services (Non-Construction)

<i>Amount</i>	<i>Conditions</i>	<i>Authorized Buyer</i>	<i>Notes</i>
\$1 - \$10,000	Administrative Process	Department Head	
\$10,001 - \$25,000	Approval Memo from the Purchasing Agent	Department Head with Purchasing Agent Approval	
\$25,001 - \$50,000	Competitive bidding required: <u>informal written quotes</u>	Department Head with Purchasing Agent Approval	Three bids preferred
Over \$50,000	Competitive bidding required: formal RFP or IFB	Purchasing Agent	Three bids preferred & Contract required; PA signs contract
Over \$100,000	Competitive bidding required: formal RFP or IFB with approval from City Council	City Council	Three bids preferred & Contract required; Mayor signs contract

Services (Construction)

<i>Amount</i>	<i>Conditions</i>	<i>Authorized Buyer</i>	<i>Notes</i>
\$1 - \$10,000	Administrative Process	Department Head	
\$10,001 - \$25,000	Approval Memo from the Purchasing Agent	Department Head with Purchasing Agent Approval	
\$25,001 - \$50,000	Competitive bidding required: <u>informal written quotes</u>	Department Head with Purchasing Agent Approval	Three bids preferred
\$50,001 - \$200,000	Competitive bidding required: informal bids comply with CUPCCAP	City Council	Three bids preferred

Over \$200,000	Competitive bidding required: formal RFP or IFB with approval from City Council	City Council	Three bids preferred & Contract required; Mayor signs contract
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All dollar amounts are rounded to the nearest dollar to fit into threshold ranges (i.e. total cost of \$10,000.50 would fit into \$10,001 - \$25,000 range).

Federally Funded Projects / Grants Procurement

<i>Amount</i>	<i>Conditions</i>	<i>Authorized Buyer</i>	<i>Notes</i>
\$1 - \$10,000 (Micro Purchases)	Administrative Process	Department Head	
\$10,001 - \$250,000 (Small Purchases)	Competitive bidding required: <u>informal written quotes</u>	Purchasing Agent	More than one bid required
Over \$250,000	Competitive bidding required: <u>Formal process</u> <ol style="list-style-type: none"> <u>1.</u> Sealed Bids (if feasible) <u>2.</u> Competitive Proposals (if feasible) <u>3.</u> Sole Source (if only option) 	Purchasing Agent	More than one bid required

ATTACHMENT NO. 2: Insurance Requirements Matrix

Exhibit 5.1

Risk Matrix Definitions

(Determine Risk Category by evaluating all factors that could increase the agency's liability for that particular project. Once Risk Category is determined, utilize Exhibit 2 to select insurance terms.)

Risk Category	Risk Level	Examples
1	Low	<ul style="list-style-type: none">• Vending machine providers• Facilities use• Special events• Some professional service providers• General contracts
2	Intermediate	<ul style="list-style-type: none">• Construction contracts• Some professional service providers• Technology consultants• Facilities use• Special events
3	High	<ul style="list-style-type: none">• Major construction contracts• Garbage haulers• Some professional service providers
Other	Undefined	<ul style="list-style-type: none">• The risk is unique• Custom insurance requirements needed

**Exhibit 5.2
Risk Matrix**

("+ = Limits may need to increase for Risk Categories 2 & 3, depending on the project.)

Risk Category	Workers' Compensation	General Liability	Auto Liability
1	Statutory Employer's Liability \$1,000,000	\$2,000,000 per occurrence (may accept \$1,000,000 per occurrence for lower risks) \$4,000,000 general aggregate \$1,000,000 products/completed operations aggregate	\$2,000,000 Combined Single Limit (may accept \$1,000,000 for lower risks)
2	Statutory Employer's Liability \$1,000,000	\$2,000,000+ per occurrence \$4,000,000+ general aggregate \$2,000,000+ products/completed operations aggregate	\$2,000,000+ Combined Single Limit
3	Statutory Employer's Liability \$1,000,000	\$5,000,000+ per occurrence \$10,000,000+ general aggregate \$5,000,000+ products/completed operations aggregate	\$5,000,000+ Combined Single Limit
Other	Consult with Risk Management Professionals	Consult with Risk Management Professionals	Consult with Risk Management Professionals

Category 1 “Low Risk”

Insurance Requirements

Commercial General Liability

Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Vendor’s general liability policies shall be primary and shall not seek contribution from the City’s coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.

Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

Coverage shall contain a waiver of subrogation in favor of the City.

Business Automobile Liability

Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than two million dollars (\$2,000,000) per accident.

Workers’ Compensation and Employers’ Liability

Vendor shall maintain Workers’ Compensation Insurance and Employer’s Liability Insurance with limits of at least one million dollars (\$1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

All Coverages

Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days’ prior written notice has been given to the City, except that ten (10) days’ prior written notice shall apply in the event of cancellation for nonpayment of premium.

All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.

Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.

Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

Category 2 “Intermediate Risk”

Insurance Requirements

Commercial General Liability

Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than two million dollars (\$2,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall

be twice the required occurrence limit. Vendor’s general liability policies shall be primary and shall not seek contribution from the City’s coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.

Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

Coverage shall contain a waiver of subrogation in favor of the City.

Business Automobile Liability

Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than two million dollars (\$2,000,000) per accident.

Workers’ Compensation and Employers’ Liability

Vendor shall maintain Workers’ Compensation Insurance and Employer’s Liability Insurance with limits of at least one million dollars (\$1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

All Coverages

Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.

Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.

Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an AM Best rating of A- VII or higher.

Subcontractors and Consultants - A category of risk and the applicable insurance requirements will be determined on a “per subcontractor” or “per consultant” basis, considering the particular work to be done by the subcontractor or consultant and the interrelationship of that work to other work being conducted by the Vendor.

Category 3 “High Risk”

Insurance Requirements

Commercial General Liability

Vendor shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than five million dollars (\$5,000,000) per occurrence for bodily injury, personal injury, and property damage, including without limitation, blanket contractual liability. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. Vendor’s general liability policies shall be primary and shall not seek contribution from the City’s coverage, and be endorsed using Insurance Services Office form CG 20 10 (or equivalent) to provide that City and its officers, officials, employees, and agents shall be additional insureds under such policies. For construction projects, an endorsement providing completed operations coverage for the additional insured, ISO form CG 20 37 (or equivalent), is also required.

Any failure to comply with reporting provisions of the policies by Vendor shall not affect coverage provided the City.

Coverage shall state that Vendor insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

Coverage shall contain a waiver of subrogation in favor of the City.

Business Automobile Liability

Vendor shall provide auto liability coverage for owned, non-owned, and hired autos using ISO Business Auto Coverage form CA 00 01 (or equivalent) with a limit of no less than five million dollars (\$5,000,000) per accident.

Workers’ Compensation and Employers’ Liability

Vendor shall maintain Workers’ Compensation Insurance and Employer’s Liability Insurance with limits of at least one million dollars (\$1,000,000). Vendor shall submit to City, along with the certificate of insurance, a waiver of subrogation endorsement in favor of City, its officers, agents, employees, and volunteers.

All Coverages

Each insurance policy required by the agreement shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to the City, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

All self-insurance, self-insured retentions, and deductibles must be declared and approved by the City.

Evidence of Insurance - Prior to commencement of work, the Vendor shall furnish the City with certificates, additional insured endorsements, and waivers of subrogation evidencing compliance with the insurance requirements above. The Vendor must agree to provide complete, certified copies of all required insurance policies if requested by the City.

Acceptability of Insurers - Insurance shall be placed with insurers admitted in the State of California and with an A.M. Best rating of A- VII or higher.

Subcontractors and Consultants - A category of risk and the applicable insurance requirements will be determined on a "per subcontractor" or "per consultant" basis, considering the particular work to be done by the subcontractor or consultant and the interrelationship of that work to other work being conducted by the Vendor.

Exhibit 3
Ancillary Coverage Requirements

Contract Activity Involved	Professional Liability	Pollution Liability	Builders Risk	Aircraft Liability	Cyber Liability	Installation Floater
Construction or Remodeling Projects - Construction or remodeling projects		X	X			X
Hazardous or Waste Materials - Removal of asbestos or lead-based paint; or the use, application, transport, removal, cleanup, or disposal of hazardous material in quantities of 100 gallons or more; or the disposal, treatment, transport, or storage of waste.		X				
Installation of Equipment						X
Professional Service Provider - Services from an accountant, architect, attorney, claims administration firm, consultant, insurance broker, engineer, financial advisor, medical professional, or another person who maintains a professional license.	X					
Technology Vendor	X				X	
Use of Aircraft or Helicopter				X		

The following are suggested insurance language if Ancillary Coverages are recommended. Please consult with the Risk Manager for customized limits and language for specific circumstances.

Aircraft Liability Insurance

Aircraft liability insurance coverage shall provide limits of \$5,000,000 - \$10,000,000 per accident.

The policy shall be endorsed to include the City, its officers, employees, and agents as additional insureds.

Builders Risk Insurance

Contractor shall obtain and maintain Builders Risk/Course of Construction insurance. Policy shall be provided for replacement value on an "all-risk" basis, including earthquake and flood. The City shall be named as Loss Payee on the policy and there shall be no coinsurance penalty provision in any such policy. Policy must include: (1) coverage for removal of debris, and insuring the buildings, structures, machinery, equipment, materials, facilities, fixtures, and all other properties constituting a part of the project; (2) "Installation Floater" coverage with limits sufficient to insure the full replacement value of any property or equipment stored either on or off the project site. Such insurance shall be on a form acceptable to City to ensure adequacy of terms and limits. Contractor shall not be required to maintain property insurance for any portion of the Project following transfer of control thereof to City.

Cyber Liability Insurance

Cyber Liability Insurance with limits not less than \$1,000,000 per claim.

Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion, and network security.

The policy shall provide coverage for breach response costs as well as regulatory fines and penalties, and credit monitoring expenses with limits sufficient to respond to these obligations.

Pollution Liability Insurance

Pollution Coverage shall be provided for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than two million dollars (\$2,000,000) per claim. All activities contemplated in this agreement shall be specifically scheduled on the policy as "covered operations." The policy shall provide coverage for the hauling of waste from the project site to the final disposal location, including non-owned disposal sites.

The policy shall be endorsed to include the City, its officers, employees, and agents as insureds.

Professional Liability Insurance

Contractor shall maintain professional liability insurance that insures against professional errors and omissions that may be made in performing the Services to be rendered in connection with this Agreement, in the minimum amount of two million dollars (\$2,000,000) per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement, and Contractor agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

ATTACHMENT NO. 3: Local Assistance Procedures Manual – Chapter 10

The State of California Department of Transportation (Caltrans) has developed the Local Assistance Procedures Manual (LAPM), Chapter 10, Consultant Selection which sets forth policies and procedures for procurements and managements of contracts for engineering and design related consultant services contracts on federal and state funded transportation projects to ensure compliance with applicable Federal and State laws and regulations. Prior to the commencement of any project using funds as indicated in this section, staff shall check the following link, which is updated annually, to ensure all requirements are met:

<https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/lapm/ch10.pdf>

ATTACHMENT NO. 4: Davis-Bacon and Related Acts Policy

The project manager under the supervision of the City Services Director shall follow this policy anytime a project requires enforcement of Davis Bacon.

Pre-Bid

- Check Funding Source: Example; CDBG, EDBG, HUD, Department of Transportation, etc.
- Once the Funding source is identified, obtain all grant requirements/agreements.
- Contact funding source Representative. Funding source representative must be kept informed of all process.
- If required, request from funding source representative federal wage rates.
- If not required, then select the most recent Davis-Bacon / U.S. DOL Wage Determination for the appropriate category (building, heavy, or highway) at <http://www.wdol.gov/dba.aspx#O>.
- Also check California Department of Industrial Relations to obtain the Wage Determinations at <http://www.dir.ca.gov/dlsr/PWD/index.htm> and follow the website instructions.
- After you have obtained both federal and State wage determinations, complete the Pre-Bid Project Wage Rate Sheet.
- Prepare Bid Specifications and submit to City Services Director for review and approval.
- Ensure all applicable U.S. DOL Wage Determinations for Tulare County, Davis-Bacon contracting language (see your Grant Agreement), and Grant Provisions/ Special Terms & Conditions are attached to or incorporated by reference into contracts.

Project Types

Building Construction

Includes construction of sheltered enclosures with walk-in access for the purpose of housing persons, machinery, equipment or supplies; all construction of such structures; the installation of utilities and of equipment, both above and below grade levels; as well as incidental grading, utilities and paving. Such structures need not be "habitable" to be building construction. Also, the installation of heavy machinery and/or equipment does not generally change the project's character as a building.

Heavy Construction

Includes those projects that are not properly classified as either "building," "highway," or "residential." Unlike these classifications, heavy construction is not a homogenous classification. Because of this catch-all nature, projects within the heavy classification may sometimes be distinguished based on their particular project characteristics, and separate schedules may be issued for dredging projects, water and sewer line projects, dams, major bridges, and flood control projects.

Highway Construction

Includes construction, alteration or repair of roads, streets, highways, . runways, taxiways, alleys, trails, paths, parking areas, and other similar projects not incidental to building or heavy construction.

Residential Construction

Includes the construction, alteration or repair of single-family houses, apartment buildings of no more than four stories in height. This includes all incidental items such as site work, parking areas, utilities, streets, and sidewalks.

Monitor Wage Determination

The Davis-Bacon | U.S. DOL Wage Determination that is included with bid specifications on the date requests for bids are issued will remain in effect for the duration of the project unless:

1. A wage modification is published after requests for bids are issued but no less than 10 days prior to the opening of bids; or
2. A wage modification is published after requests for bids are issued but less than 10 days before the opening of bids and there is reasonable time to notify bidders of the modification before the opening of bids.

Therefore, if a modification is issued between the date requests for bids are issued but no less than 10 days prior to the opening of bids, you must notify the bidders of the modification so that they may adjust their bids. If a modification is issued between the 10-day point and the opening of the bids, you must determine whether there is reasonable time to notify the bidders of the modification so that they may adjust their bids. If you decide that there is no time, please create a record of this decision and retain a copy of such record in your project files. Once the bids are opened, the wage determination included in the request for bids remains in effect as long as the contract is awarded within 90 days from the date of bid opening. (Depending on funding source, obtain wage rate determinations and 10-day update from Representative prior to bid opening)

Post-Bid

- Conduct debarment check at <https://www.sam.gov/> to ensure contractor & each subcontractor is able to work on federally funded projects. The search must be done with the firm name and the names of each officer of the company (e.g. Principal, Officer, Treasurer, etc). Print search results for file.
- Check the Contractors State License Board <http://www.cslb.ca.gov/> to ensure proper licensure, insurance, workers compensation, etc. Print search results for file.
- Pre-construction meeting. Require prime contractor and all subcontractors attend the meeting. Notify funding source representative of the meeting (some funding agencies that require notification are also required to be present). Prime contractor must submit prior to preconstruction meeting a list of all planned job classifications to be used during the course of the job. Use this information to prepare wage rate sheet for meeting.
- Have the prime contractor & subcontractors review the instructions for and complete and sign the Pre- Construction Project Wage Rate Sheet. Review the Wage Sheet to ensure that the prime contractor & subcontractors have addressed both hourly wages and hourly fringe benefit.
- If the contractor indicates that apprentices or trainees will be employed, have the contractor review the DBA: Documentation Required for Apprentices and Trainee Form and submit the required information prior to or with the first Certified Weekly Payroll.
- Have prime contractor & subcontractors review the Authorization of Other Deductions Form. If employee deductions fall into a category covered on the Form, the contractor and the employee

must execute the Form., and the contractor must submit the Form prior to or with the first Certified Weekly Payroll.

- Have prime contractor & subcontractors review Information and Documentation to be Submitted by Bona Fide Business Owners Form. If applicable, the subcontractor must execute and submit the Form prior to or with the first Certified Weekly Payroll.
- Have prime contractor & subcontractors review the Instructions to and the template for the Certified Weekly Payroll Form WH-347 or Form A-1-131 (depending on grant requirements).
- Create a project Calendar tracking start day and when payroll is due. Record on calendar when payrolls are either received, reviewed, and/or revised. Must keep copies of all communication.

During Project / Job

- A Davis-Bacon Rights Poster must be posted at every job site for the duration of the work. The poster is available in English and Spanish.
- The applicable U.S. DOL Wage Determinations must be posted with the Davis-Bacon Rights Poster.
- Ensure that the contractor is paying employees on a weekly basis and submitting the ORIGINAL Certified Weekly Payroll on time. The subcontractor has 7 calendar days from the end of the week worked to pay employees. The subcontractor then has 7 calendar days from the date the employees are paid to submit the Certified Weekly Payroll to the City.
- Review Certified Weekly Payrolls for accuracy as soon as possible after receipt. Follow the Davis-Bacon Compliance Checklist For Review of Certified Weekly Payrolls.
- If any additional information, forms, or Payroll corrections are required, you must work with the contractor to resolve any issues and obtain confirmation of restitution owed/ back wages paid. Keep track of this information. Payments can be withheld if necessary until adequate payroll is received.
- California Labor Code Working Hours: Payment of not less than time and one-half the basic or regular rate paid is required for overtime Contractors are assessed liquidated damages for overtime pay violations (in addition to paying back wages). If City discovers overtime pay violations, they shall collect liquidated damages from contractors. The liquidated damages charge is \$25/day where the overtime was improperly paid.

For example, a Davis-Bacon covered laborer works 12-hour days for 5 days in a week (60 hours total), and the employer does not properly pay the overtime hours. Starting on day four of the week, the laborer exceeds the 40-hour threshold and begins to work overtime hours. Thus, the employee worked overtime hours on two total days. The liquidated damages charge would be \$50 = \$25/day x 2 days worked where overtime was not properly paid.

- Visit job sites and conduct employee interviews to verify the information received. Use the Record of Employee Interview Form to document the information obtained during the interview. Conduct a desktop review by comparing the information obtained to that contained in a Certified Weekly Payroll. Investigate any discrepancies.

Employee interviews must be conducted by the Project Engineer. As many employees as possible in each worker classification should be interviewed, but, at a minimum, at least two employees in each classification. Depending on the duration of the project, the City should begin interviewing employees

after receipt of at least one Certified Weekly Payroll so that the project manager can compare the information set forth on the Payroll with the information received during the interviews.

Although on-site/ in-person interviews are preferred, the U.S. DOL does permit the use of telephone or mail interviews to meet the employee interview compliance requirement. Should interviews be conducted by telephone or mail, please indicate such on the Record of Employee Interview.

- Contact Department of Industrial Relations or US Wage and Hour Division if you suspect intentional misclassifications of workers or underpayment of wages or if you receive a complaint alleging violations of Davis-Bacon. City must investigate and attempt to resolve all complaints.
- DOL Semi-Annual Davis-Bacon Report: The City is required to report information regarding Davis-Bacon compliance on a semi-annual basis. Upon completion of your project, email the following information to comdev@lindsay.ca.us
 - Number of contractors/subcontractors against whom complaints were received
 - Number of investigations by City
 - Number of contractors/subcontractors found in violation
 - Amount of wage restitution found due

Davis-Bacon and Related Acts

Overtime Violations

- An "investigation" is "any corrective action taken to enforce the provisions of DBA/overtime violations for covered employees." City should record receipt of payrolls, review of payrolls, interviews performed, and site visits -- such activities are not part of an investigation until an employee is not properly paid or it appears that the employee has not been properly paid. Actions taken to resolve that problem become an investigation; even if it is resolved by determining the initial thought of violation is not true (the worker was classified properly, etc).

Davis-Bacon Compliance Checklist for Review of Certified Weekly Payrolls

- Project Manager and/or support staff to follow the checklist.
- Authorized Signature on Statement of Compliance for each payroll sheet.
- Certificate authorizing others to sign the State of Compliance (SOC) for payrolls. If someone other than the Owner, President, Vice President, or Treasurer will be signing the payrolls, confirm that the Federal funds recipient receives this authorization with the payrolls being sent.
- Statement of Compliance is completed and signed on each payroll sheet (pg. 2). Original signatures are required for each payroll sheet. No copies of signatures are allowed, as well as any whiteout or any marks on the payroll. This is an official document and shall not be altered. The SOC must have the Federal language. Check the United States Department of Labor Wage & Hour Division website for latest language. <http://www.dol.gov/whd/>
- Appropriate block is checked regarding payment of fringe benefits on the SOC.
- Payrolls are numbered. First payroll marked "Initial #1" and the last and final payroll for a project should be marked "FINAL."
- Days and dates appear under item number 4 on payroll sheet.
- Project Number, Name, and Location should be listed on each payroll sheet. Some projects are similar in name.

- Name and Individual Identifying Number of Worker: Enter each worker's full name and an individual identifying number (e.g., last four digits of worker's social security number) on each weekly payroll submitted.
- Fill in job classification in column 3.
- Note in column 3; if employee is an apprentice, attach on the payroll proof of registration in a DOL-approved program.
- When "other" deductions column is filled out the amount must be verified. The contractor shall provide upon the project manager request an employee authorization of the other deductions. The authorization must be
 - specific of what the deductions are. For example; if child support, require a copy of the court order, cash advances to employee (letter signed by employee authorizing the cash advances deductions)
- Make sure net wages, gross wages, and deductions are shown. Gross amount in column 7 minus deductions should equal net in column 9.
- Time-and-a-half (1 ½) is paid for all hours over 40 in a week. The employee may be permitted to work over 8 hours a day. But, for all hours over 40 for the WEEK, regardless of number of sites (jobs), the employee must be paid 1 ½ for overtime.

City of Lindsay Responsible Staff

- Work with City Services to obtain the Wage Determination from State and Federal websites. If required from funding source, contact the Representative to obtain Federal Wage Rates.
- Prepare a Pre-bid wage rate sheet.
- Obtain Wage Determination and confirm determinations 10 days prior the bid opening. Request wage determinations from the funding source representative if required.
- Prepare Bid Document.
- Supervise Pre-Bid Process
- Do Post-Bid Process
- Do Post-Bid Process and provide training for support staff for this process
- Supervise all Davis Bacon activity

ATTACHMENT NO.5: Federal Financial Management Policies (24 CFR PART 85)

ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS

Subpart A—General

§ 85.1 Purpose and scope of this part.

§ 85.2 Scope of subpart.

§ 85.3 Definitions.

§ 85.4 Applicability.

§ 85.5 Effect on other issuances.

§ 85.6 Additions and exceptions.

Subpart B—Pre-Award Requirements

§ 85.10 Forms for applying for grants.

§ 85.11 State plans.

§ 85.12 Special grant or subgrant conditions for “high-risk” grantees.

Subpart C—Post-Award Requirements Financial Administration

§ 85.20 Standards for financial management systems.

§ 85.21 Payment.

§ 85.22 Allowable costs.

§ 85.23 Period of availability of funds.

§ 85.24 Matching or cost sharing.

§ 85.25 Program income.

§ 85.26 Non-Federal audit.

Changes, Property, and Subawards

§ 85.30 Changes.

§ 85.31 Real property.

§ 85.32 Equipment.

§ 85.33 Supplies.

§ 85.34 Copyrights.

§ 85.35 Subawards to debarred and suspended parties.

§ 85.36 Procurement.

§ 85.37 Subgrants.

Reports, Records, Retention, and Enforcement

§ 85.40 Monitoring and reporting program performance.

§ 85.41 Financial reporting.

§ 85.42 Retention and access requirements for records.

§ 85.43 Enforcement.

§ 85.44 Termination for convenience.

Subpart D—After-the-Grant Requirements

§ 85.50 Closeout.

§ 85.51 Later disallowances and adjustments.

§ 85.52 Collection of amounts due.

Subpart E—Entitlement [Reserved]

Authority: 42 U.S.C. 3535(d).

Source: 53 FR 8068, 8087, Mar. 11, 1988, unless otherwise noted.

Subpart A—General

§ 85.1 Purpose and scope of this part.

This part establishes uniform administrative rules for Federal grants and cooperative agreements and subawards to State, local and Indian tribal governments.

§ 85.2 Scope of subpart.

This subpart contains general rules pertaining to this part and procedures for control of exceptions from this part.

§ 85.3 Definitions.

As used in this part:

Accrued expenditures mean the charges incurred by the grantee during a given period requiring the provision of funds for: (1) Goods and other tangible property received; (2) services performed by employees, contractors, subgrantees, subcontractors, and other payees; and (3) other amounts becoming owed under programs for which no current services or performance is required, such as annuities, insurance claims, and other benefit payments.

Accrued income means the sum of: (1) Earnings during a given period from services performed by the grantee and goods and other tangible property delivered to purchasers, and (2) amounts becoming owed to the grantee for which no current services or performance is required by the grantee.

Acquisition cost of an item of purchased equipment means the net invoice unit price of the property including the cost of modifications, attachments, accessories, or auxiliary apparatus necessary to make the property usable for the purpose for which it was acquired. Other charges such as the cost of installation, transportation, taxes, duty or protective in-transit insurance, shall be included or excluded from the unit acquisition cost in accordance with the grantee's regular accounting practices.

Administrative requirements mean those matters common to grants in general, such as financial management, kinds and frequency of reports, and retention of records. These are distinguished from *programmatic* requirements, which concern matters that can be treated only on a program-by-program or grant-by-grant basis, such as kinds of activities that can be supported by grants under a particular program.

Awarding agency means (1) with respect to a grant, the Federal agency, and (2) with respect to a subgrant, the party that awarded the subgrant.

Cash contributions means the grantee's cash outlay, including the outlay of money contributed to the grantee or subgrantee by other public agencies and institutions, and private organizations and individuals. When authorized by Federal legislation, Federal funds received from other assistance agreements may be considered as grantee or subgrantee cash contributions.

Contract means (except as used in the definitions for **grant** and **subgrant** in this section and except where qualified by **Federal**) a procurement contract under a grant or subgrant, and means a procurement subcontract under a contract.

Cost sharing or matching means the value of the third party in-kind contributions and the portion of the costs of a federally assisted project or program not borne by the Federal Government.

Cost-type contract means a contract or subcontract under a grant in which the contractor or subcontractor is paid on the basis of the costs it incurs, with or without a fee.

Equipment means tangible, nonexpendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

Expenditure report means: (1) For non-construction grants, the SF-269 "Financial Status Report" (or other equivalent report); (2) for construction grants, the SF-271 "Outlay Report and Request for Reimbursement" (or other equivalent report).

Federally recognized Indian tribal government means the governing body or a governmental agency of any Indian tribe, band, nation, or other organized group or community (including any Native village as defined in section 3 of the Alaska Native Claims Settlement Act, 85 Stat 688) certified by the Secretary of the Interior as eligible for the special programs and services provided by him through the Bureau of Indian Affairs.

Government means a State or local government or a federally recognized Indian tribal government.

Grant means an award of financial assistance, including cooperative agreements, in the form of money, or property in lieu of money, by the Federal Government to an eligible grantee. The term does not include technical assistance which provides services instead of money, or other assistance in the form of revenue sharing, loans, loan guarantees, interest subsidies, insurance, or direct appropriations. Also, the term does not include assistance, such as a fellowship or other lump sum award, which the grantee is not required to account for.

Grantee means the government to which a grant is awarded and which is accountable for the use of the funds provided. The grantee is the entire legal entity even if only a particular component of the entity is designated in the grant award document.

Local government means a county, municipality, city, town, township, local public authority (including any public and Indian housing agency under the United States Housing Act of 1937) school district, special district, intrastate district, council of governments (whether or not incorporated as a nonprofit corporation under state law), any other regional or interstate government entity, or any agency or instrumentality of a local government.

Obligations means the amounts of orders placed, contracts and subgrants awarded, goods and services received, and similar transactions during a given period that will require payment by the grantee during the same or a future period.

OMB means the United States Office of Management and Budget.

Outlays (expenditures) mean charges made to the project or program. They may be reported on a cash or accrual basis. For reports prepared on a cash basis, outlays are the sum of actual cash disbursement for direct charges for goods and services, the amount of indirect expense incurred, the value of in-kind contributions applied, and the amount of cash advances and payments made to contractors and subgrantees. For reports prepared on an accrued expenditure basis, outlays are the sum of actual cash disbursements, the amount of indirect expense incurred, the value of in-kind contributions applied, and the new increase (or decrease) in the amounts owed by the grantee for goods and other property received, for services performed by employees, contractors, subgrantees, subcontractors, and other payees, and other amounts becoming owed under programs for which no current services or performance are required, such as annuities, insurance claims, and other benefit payments.

Percentage of completion method refers to a system under which payments are made for construction work according to the percentage of completion of the work, rather than to the grantee's cost incurred.

Prior approval means documentation evidencing consent prior to incurring specific cost.

Real property means land, including land improvements, structures and appurtenances thereto, excluding movable machinery and equipment.

Share, when referring to the awarding agency's portion of real property, equipment or supplies, means the same percentage as the awarding agency's portion of the acquiring party's total costs under the grant to which the acquisition costs under the grant to which the acquisition cost of the property was charged. Only costs are to be counted—not the value of third-party in-kind contributions.

State means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, or any agency or instrumentality of a State exclusive of local governments. The term does not include any public and Indian housing agency under United States Housing Act of 1937.

Subgrant means an award of financial assistance in the form of money, or property in lieu of money, made under a grant by a grantee to an eligible subgrantee. The term includes financial assistance when provided by contractual legal agreement, but does not include procurement purchases, nor does it include any form of assistance which is excluded from the definition of **grant** in this part.

Subgrantee means the government or other legal entity to which a subgrant is awarded and which is accountable to the grantee for the use of the funds provided.

Supplies means all tangible personal property other than **equipment** as defined in this part.

Suspension means depending on the context, either (1) temporary withdrawal of the authority to obligate grant funds pending corrective action by the grantee or subgrantee or a decision to terminate the grant, or (2) an action taken by a suspending official in accordance with agency regulations implementing E.O. 12549 to immediately exclude a person from participating in grant transactions for a period, pending completion of an investigation and such legal or debarment proceedings as may ensue.

Termination means permanent withdrawal of the authority to obligate previously-awarded grant funds before that authority would otherwise expire. It also means the voluntary relinquishment of that authority by the grantee or subgrantee. **Termination** does not include: (1) Withdrawal of funds awarded on the basis of the grantee's underestimate of the unobligated balance in a prior period; (2) Withdrawal of the unobligated balance as of the expiration of a grant; (3) Refusal to extend a grant or award additional funds, to make a competing or non-competing continuation, renewal, extension, or supplemental award; or (4) voiding of a grant upon determination that the award was obtained fraudulently, or was otherwise illegal or invalid from inception.

Terms of a grant or subgrant mean all requirements of the grant or subgrant, whether in statute, regulations, or the award document.

Third party in-kind contributions mean property or services which benefit a federally assisted project or program and which are contributed by non-Federal third parties without charge to the grantee, or a cost-type contractor under the grant agreement.

Unliquidated obligations for reports prepared on a cash basis mean the amount of obligations incurred by the grantee that has not been paid. For reports prepared on an accrued expenditure basis, they represent the amount of obligations incurred by the grantee for which an outlay has not been recorded.

Unobligated balance means the portion of the funds authorized by the Federal agency that has not been obligated by the grantee and is determined by deducting the cumulative obligations from the cumulative funds authorized.

§ 85.4 Applicability.

(a) **General.** Subparts A—D of this part apply to all grants and subgrants to governments, except where inconsistent with Federal statutes or with regulations authorized in accordance with the exception provision of §85.6, or:

- (1) Grants and subgrants to State and local institutions of higher education or State and local hospitals.
- (2) The block grants authorized by the Omnibus Budget Reconciliation Act of 1981 (Community Services; Preventive Health and Health Services; Alcohol, Drug Abuse, and Mental Health Services; Maternal and Child Health Services; Social Services; Low-Income Home Energy Assistance; States' Program of Community Development Block Grants for Small Cities; and Elementary and Secondary Education other than programs administered by the Secretary of Education under title V, subtitle D, chapter 2, section 583—the Secretary's discretionary grant program) and titles I-III of the Job Training Partnership Act of 1982 and under the Public Health Services Act (section 1921), Alcohol and Drug Abuse Treatment and Rehabilitation Block Grant and part C of title V, Mental Health Service for the Homeless Block Grant).
- (3) Entitlement grants to carry out the following programs of the Social Security Act:
 - (i) Aid to Needy Families with Dependent Children (title IV-A of the Act, not including the Work Incentive Program (WIN) authorized by section 402(a)19(G); HHS grants for WIN are subject to this part);

- (ii) Child Support Enforcement and Establishment of Paternity (title IV-D of the Act);
- (iii) Foster Care and Adoption Assistance (title IV-E of the Act);
- (iv) Aid to the Aged, Blind, and Disabled (titles I, X, XIV, and XVI-AABD of the Act); and
- (v) Medical Assistance (Medicaid) (title XIX of the Act) not including the State Medicaid Fraud Control program authorized by section 1903(a)(6)(B).
- (4) Entitlement grants under the following programs of The National School Lunch Act:
 - (i) School Lunch (section 4 of the Act),
 - (ii) Commodity Assistance (section 6 of the Act),
 - (iii) Special Meal Assistance (section 11 of the Act),
 - (iv) Summer Food Service for Children (section 13 of the Act), and
 - (v) Child Care Food Program (section 17 of the Act).
- (5) Entitlement grants under the following programs of The Child Nutrition Act of 1966:
 - (i) Special Milk (section 3 of the Act), and
 - (ii) School Breakfast (section 4 of the Act).
- (6) Entitlement grants for State Administrative expenses under The Food Stamp Act of 1977 (section 16 of the Act).
- (7) A grant for an experimental, pilot, or demonstration project that is also supported by a grant listed in paragraph (a)(3) of this section;
- (8) Grant funds awarded under subsection 412(e) of the Immigration and Nationality Act (8 U.S.C. 1522(e)) and subsection 501(a) of the Refugee Education Assistance Act of 1980 (Pub. L. 96-422, 94 Stat. 1809), for cash assistance, medical assistance, and supplemental security income benefits to refugees and entrants and the administrative costs of providing the assistance and benefits;
- (9) Grants to local education agencies under 20 U.S.C. 236 through 241-1(a), and 242 through 244 (portions of the Impact Aid program), except for 20 U.S.C. 238(d)(2)(c) and 240(f) (Entitlement Increase for Handicapped Children); and
- (10) Payments under the Veterans Administration's State Home Per Diem Program (38 U.S.C. 641(a)).
- (b) **Entitlement programs.** Entitlement programs enumerated above in §85.4(a) (3) through (8) are subject to subpart E.

§ 85.5 Effect on other issuances.

All other grants administration provisions of codified program regulations, program manuals, handbooks and other non-regulatory materials which are inconsistent with this part are superseded, except to the extent they are required by statute, or authorized in accordance with the exception provision in §85.6.

§ 85.6 Additions and exceptions.

- (a) For classes of grants and grantees subject to this part, Federal agencies may not impose additional administrative requirements except in codified regulations published in the Federal Register.
- (b) Exceptions for classes of grants or grantees may be authorized only by OMB.
- (c) Exceptions on a case-by-case basis and for subgrantees may be authorized by the affected Federal agencies.

Subpart B—Pre-Award Requirements

§ 85.10 Forms for applying for grants.

- (a) Scope.
 - (1) This section prescribes forms and instructions to be used by governmental organizations (except hospitals and institutions of higher education operated by a government) in applying for grants. This section is not applicable, however, to formula grant programs which do not require applicants to apply for funds on a project basis.

- (2) This section applies only to applications to Federal agencies for grants, and is not required to be applied by grantees in dealing with applicants for subgrants. However, grantees are encouraged to avoid more detailed or burdensome application requirements for subgrants.
- (b) Authorized forms and instructions for governmental organizations.
- (3) In applying for grants, applicants shall only use standard application forms or those prescribed by the granting agency with the approval of OMB under the Paperwork Reduction Act of 1980.
- (4) Applicants are not required to submit more than the original and two copies of preapplications or applications.
- (5) Applicants must follow all applicable instructions that bear OMB clearance numbers. Federal agencies may specify and describe the programs, functions, or activities that will be used to plan, budget, and evaluate the work under a grant. Other supplementary instructions may be issued only with the approval of OMB to the extent required under the Paperwork Reduction Act of 1980. For any standard form, except the SF-424 fact sheet, Federal agencies may shade out or instruct the applicant to disregard any line item that is not needed.
- (6) When a grantee applies for additional funding (such as a continuation or supplemental award) or amends a previously submitted application, only the affected pages need be submitted. Previously submitted pages with information that is still current need not be resubmitted.

§ 85.11 State plans.

- (a) **Scope.** The statutes for some programs require States to submit plans before receiving grants. Under regulations implementing Executive Order 12372, "Intergovernmental Review of Federal Programs," States are allowed to simplify, consolidate and substitute plans. This section contains additional provisions for plans that are subject to regulations implementing the Executive order.
- (b) **Requirements.** A State need meet only Federal administrative or programmatic requirements for a plan that are in statutes or codified regulations.
- (c) **Assurances.** In each plan the State will include an assurance that the State shall comply with all applicable Federal statutes and regulations in effect with respect to the periods for which it receives grant funding. For this assurance and other assurances required in the plan, the State may:
 - (1) Cite by number the statutory or regulatory provisions requiring the assurances and affirm that it gives the assurances required by those provisions,
 - (2) Repeat the assurance language in the statutes or regulations, or
 - (3) Develop its own language to the extent permitted by law.
- (d) **Amendments.** A State will amend a plan whenever necessary to reflect:
 - (1) New or revised Federal statutes or regulations or;
 - (2) A material change in any State law, organization, policy, or State agency operation. The State will obtain approval for the amendment and its effective date but need submit for approval only the amended portions of the plan.

§ 85.12 Special grant or subgrant conditions for "high-risk" grantees.

- (a) A grantee or subgrantee may be considered **high risk** if an awarding agency determines that a grantee or subgrantee:
 - (1) Has a history of unsatisfactory performance, or
 - (2) Is not financially stable, or
 - (3) Has a management system which does not meet the management standards set forth in this part, or
 - (4) Has not conformed to terms and conditions of previous awards, or
 - (5) Is otherwise not responsible; and if the awarding agency determines that an award will be made, special conditions and/or restrictions shall correspond to the high risk condition and shall be included in the award.

(b) Special conditions or restrictions may include:

- (1) Payment on a reimbursement basis;
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given funding period;
- (3) Requiring additional, more detailed financial reports;
- (4) Additional project monitoring;
- (5) Requiring the grantee or subgrantee to obtain technical or management assistance; or
- (6) Establishing additional prior approvals.

(c) If an awarding agency decides to impose such conditions, the awarding official will notify the grantee or subgrantee as early as possible, in writing, of:

- (1) The nature of the special conditions/restrictions;
- (2) The reason(s) for imposing them;
- (3) The corrective actions which must be taken before they will be removed and the time allowed for completing the corrective actions and
- (4) The method of requesting reconsideration of the conditions/restrictions imposed.

Subpart C—Post-Award Requirements Financial Administration

§ 85.20 Standards for financial management systems.

(a) A State must expand and account for grant funds in accordance with State laws and procedures for expending and accounting for its own funds. Fiscal control and accounting procedures of the State, as well as its subgrantees and cost-type contractors, must be sufficient to—

- (1) Permit preparation of reports required by this part and the statutes authorizing the grant, and
- (2) Permit the tracing of funds to a level of expenditures adequate to establish that such funds have not been used in violation of the restrictions and prohibitions of applicable statutes.

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

(1) **Financial reporting.** Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.

(2) **Accounting records.** Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.

(3) **Internal control.** Effective control and accountability must be maintained for all grant and subgrant cash, real and personal property, and other assets. Grantees and subgrantees must adequately safeguard all such property and must assure that it is used solely for authorized purposes.

(4) **Budget control.** Actual expenditures or outlays must be compared with budgeted amounts for each grant or subgrant. Financial information must be related to performance or productivity data, including the development of unit cost information whenever appropriate or specifically required in the grant or subgrant agreement. If unit cost data are required, estimates based on available documentation will be accepted whenever possible.

(5) **Allowable cost.** Applicable OMB cost principles, agency program regulations, and the terms of grant and subgrant agreements will be followed in determining the reasonableness, allowability, and allocability of costs.

(6) **Source documentation.** Accounting records must be supported by such source documentation as cancelled checks, paid bills, payrolls, time and attendance records, contract and subgrant award documents, etc.

(7) **Cash management.** Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used. Grantees must establish reasonable procedures to ensure the receipt of reports on subgrantees' cash balances and cash disbursements in sufficient time to enable them to prepare complete and accurate cash transactions reports to the awarding agency. When advances are made by letter-of-credit or electronic transfer of funds methods, the grantee must make drawdowns as close as possible to the time of making disbursements. Grantees must monitor cash drawdowns by their subgrantees to assure that they conform substantially to the same standards of timing and amount as apply to advances to the grantees.

(c) An awarding agency may review the adequacy of the financial management system of any applicant for financial assistance as part of a pre-award review or at any time subsequent to award.

§ 85.21 Payment.

(a) **Scope.** This section prescribes the basic standard and the methods under which a Federal agency will make payments to grantees, and grantees will make payments to subgrantees and contractors.

(b) **Basic standard.** Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) **Advances.** Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) **Reimbursement.** Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement.

(e) **Working capital advances.** If a grantee cannot meet the criteria for advance payments described in paragraph (c) of this section, and the Federal agency has determined that reimbursement is not feasible because the grantee lacks sufficient working capital, the awarding agency may provide cash or a working capital advance basis. Under this procedure the awarding agency shall advance cash to the grantee to cover its estimated disbursement needs for an initial period generally geared to the grantee's disbursing cycle. Thereafter, the awarding agency shall reimburse the grantee for its actual cash disbursements. The working capital advance method of payment shall not be used by grantees or subgrantees if the reason for using such method is the unwillingness or inability of the grantee to provide timely advances to the subgrantee to meet the subgrantee's actual cash disbursements.

(f) Effect of program income, refunds, and audit recoveries on payment.

(1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity.

(2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(g) Withholding payments.

(1) Unless otherwise required by Federal statute, awarding agencies shall not withhold payments for proper charges incurred by grantees or subgrantees unless—

(i) The grantee or subgrantee has failed to comply with grant award conditions or

(ii) The grantee or subgrantee is indebted to the United States.

(2) Cash withheld for failure to comply with grant award condition, but without suspension of the

grant, shall be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with §85.43(c).

(3) A Federal agency shall not make payment to grantees for amounts that are withheld by grantees or subgrantees from payment to contractors to assure satisfactory completion of work. Payments shall be made by the Federal agency when the grantees or subgrantees actually disburse the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(h) Cash depositories.

(1) Consistent with the national goal of expanding the opportunities for minority business enterprises, grantees and subgrantees are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). A list of minority owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, DC 20230.

(2) A grantee or subgrantee shall maintain a separate bank account only when required by Federal- State agreement.

(iii) **Interest earned on advances.** Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 *et seq.*) and the Indian Self-Determination Act (23 U.S.C. 450), grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or subgrantee may keep interest amounts up to \$100 per year for administrative expenses.

§ 85.22 Allowable costs.

(a) **Limitation on use of funds.** Grant funds may be used only for:

(1) The allowable costs of the grantees, subgrantees and cost-type contractors, including allowable costs in the form of payments to fixed-price contractors; and

(2) Reasonable fees or profit to cost-type contractors but not any fee or profit (or other increment above allowable costs) to the grantee or subgrantee.

(b) **Applicable cost principles.** For each kind of organization, there is a set of Federal principles for determining allowable costs. Allowable costs will be determined in accordance with the cost principles applicable to the organization incurring the costs. The following chart lists the kinds of organizations and the applicable cost principles.

§ 85.23 Period of availability of funds.

(a) **General.** Where a funding period is specified, a grantee may charge to the award only costs resulting from obligations of the funding period unless carryover of unobligated balances is permitted, in which case the carryover balances may be charged for costs resulting from obligations of the subsequent funding period.

(b) **Liquidation of obligations.** A grantee must liquidate all obligations incurred under the award not later than 90 days after the end of the funding period (or as specified in a program regulation) to coincide with the submission of the annual Financial Status Report (SF-269). The Federal agency may extend this deadline at the request of the grantee.

§ 85.24 Matching or cost sharing.

(a) **Basic rule: Costs and contributions acceptable.** With the qualifications and exceptions listed in paragraph (b) of this section, a matching or cost sharing requirement may be satisfied by either or both of the following:

(1) Allowable costs incurred by the grantee, subgrantee or a cost-type contractor under the assistance agreement. This includes allowable costs borne by non-Federal grants or by others cash donations from non-Federal third parties.

(2) The value of third party in-kind contributions applicable to the period to which the cost sharing or matching requirements applies.

(b) **Qualifications and exceptions—**

(1) **Costs borne by other Federal grant agreements.** Except as provided by Federal statute, a cost sharing or matching requirement may not be met by costs borne by another Federal grant.

This prohibition does not apply to income earned by a grantee or subgrantee from a contract awarded under another Federal grant.

(2) **General revenue sharing.** For the purpose of this section, general revenue sharing funds distributed under 31 U.S.C. 6702 are not considered Federal grant funds.

(3) **Cost or contributions counted towards other Federal costs-sharing requirements.** Neither costs nor the values of third party in-kind contributions may count towards satisfying a cost sharing or matching requirement of a grant agreement if they have been or will be counted towards satisfying a cost sharing or matching requirement of another Federal grant agreement, a Federal procurement contract, or any other award of Federal funds.

(4) **Costs financed by program income.** Costs financed by program income, as defined in §85.25, shall not count towards satisfying a cost sharing or matching requirement unless they are expressly permitted in the terms of the assistance agreement. (This use of general program income is described in §85.25(g).)

(5) **Services or property financed by income earned by contractors.** Contractors under a grant may earn income from the activities carried out under the contract in addition to the amounts earned from the party awarding the contract. No costs of services or property supported by this income may count toward satisfying a cost sharing or matching requirement unless other provisions of the grant agreement expressly permit this kind of income to be used to meet the requirement.

(6) **Records.** Costs and third party in-kind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors. These records must show how the value placed on third party in-kind contributions was derived. To the extent feasible, volunteer services will be supported by the same methods that the organization uses to support the allocability of regular personnel costs.

(7) Special standards for third party in-kind contributions.

(i) Third party in-kind contributions count towards satisfying a cost sharing or matching requirement only where, if the party receiving the contributions were to pay for them, the payments would be allowable costs.

(ii) Some third party in-kind contributions are goods and services that, if the grantee, subgrantee, or contractor receiving the contribution had to pay for them, the payments would have been an indirect costs. Costs sharing or matching credit for such contributions shall be given only if the grantee, subgrantee, or contractor has established, along with its regular indirect cost rate, a special rate for allocating to individual projects or programs the value of the contributions.

(iii) A third party in-kind contribution to a fixed-price contract may count towards satisfying a cost sharing or matching requirement only if it results in:

(A) An increase in the services or property provided under the contract (without additional cost to the grantee or subgrantee) or

(B) A cost savings to the grantee or subgrantee.

(iv) The values placed on third party in-kind contributions for cost sharing or matching purposes will conform to the rules in the succeeding sections of this part. If a third party in-kind contribution is a type not treated in those sections, the value placed upon it shall be fair and reasonable.

(c) Valuation of donated services—

(1) **Volunteer services.** Unpaid services provided to a grantee or subgrantee by individuals will be valued at rates consistent with those ordinarily paid for similar work in the grantee's or subgrantee's

organization. If the grantee or subgrantee does not have employees performing similar work, the rates will be consistent with those ordinarily paid by other employers for similar work in the same labor market. In either case, a reasonable amount for fringe benefits may be included in the valuation.

(2) Employees of other organizations. When an employer other than a grantee, subgrantee, or cost-type contractor furnishes free of charge the services of an employee in the employee's normal line of work, the services will be valued at the employee's regular rate of pay exclusive of the employee's fringe benefits and overhead costs. If the services are in a different line of work, paragraph (c)(1) of this section applies.

(d) Valuation of third party donated supplies and loaned equipment or space.

(1) If a third party donates supplies, the contribution will be valued at the market value of the supplies at the time of donation.

(2) If a third party donates the use of equipment or space in a building but retains title, the contribution will be valued at the fair rental rate of the equipment or space.

(e) Valuation of third party donated equipment, buildings, and land. If a third party donates equipment, buildings, or land, and title passes to a grantee or subgrantee, the treatment of the donated property will depend upon the purpose of the grant or subgrant, as follows:

(1) **Awards for capital expenditures.** If the purpose of the grant or subgrant is to assist the grantee or subgrantee in the acquisition of property, the market value of that property at the time of donation may be counted as cost sharing or matching,

(2) **Other awards.** If assisting in the acquisition of property is not the purpose of the grant or subgrant, paragraphs (e)(2) (i) and (ii) of this section apply:

(i) If approval is obtained from the awarding agency, the market value at the time of donation of the donated equipment or buildings and the fair rental rate of the donated land may be counted as cost sharing or matching. In the case of a subgrant, the terms of the grant agreement may require that the approval be obtained from the Federal agency as well as the grantee. In all cases, the approval may be given only if a purchase of the equipment or rental of the land would be approved as an allowable direct cost. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost-sharing or matching.

(ii) If approval is not obtained under paragraph (e)(2)(i) of this section, no amount may be counted for donated land, and only depreciation or use allowances may be counted for donated equipment and buildings. The depreciation or use allowances for this property are not treated as third party in-kind contributions. Instead, they are treated as costs incurred by the grantee or subgrantee. They are computed and allocated (usually as indirect costs) in accordance with the cost principles specified in §85.22, in the same way as depreciation or use allowances for purchased equipment and buildings. The amount of depreciation or use allowances for donated equipment and buildings is based on the property's market value at the time it was donated.

(f) Valuation of grantee or subgrantee donated real property for construction/acquisition. If a grantee or subgrantee donates real property for a construction or facilities acquisition project, the current market value of that property may be counted as cost sharing or matching. If any part of the donated property was acquired with Federal funds, only the non-federal share of the property may be counted as cost sharing or matching.

(g) Appraisal of real property. In some cases under paragraphs (d), (e) and (f) of this section, it will be necessary to establish the market value of land or a building or the fair rental rate of land or of space in a building. In these cases, the Federal agency may require the market value or fair rental value be set by an independent appraiser, and that the value or rate be certified by the grantee. This requirement

will also be imposed by the grantee on subgrantees.

§ 85.25 Program income.

(a) **General.** Grantees are encouraged to earn income to defray program costs. Program income includes income from fees for services performed, from the use or rental of real or personal property acquired with grant funds, from the sale of commodities or items fabricated under a grant agreement, and from payments of principal and interest on loans made with grant funds. Except as otherwise provided in regulations of the Federal agency, program income does not include interest on grant funds, rebates, credits, discounts, refunds, etc. and interest earned on any of them.

(b) **Definition of program income.** Program income means gross income received by the grantee or subgrantee directly generated by a grant supported activity, or earned only as a result of the grant agreement during the grant period. **During the grant period** is the time between the effective date of the award and the ending date of the award reflected in the final financial report.

(c) **Cost of generating program income.** If authorized by Federal regulations or the grant agreement, costs incident to the generation of program income may be deducted from gross income to determine program income.

(d) **Governmental revenues.** Taxes, special assessments, levies, fines, and other such revenues raised by a grantee or subgrantee are not program income unless the revenues are specifically identified in the grant agreement or Federal agency regulations as program income.

(e) **Royalties.** Income from royalties and license fees for copyrighted material, patents, and inventions developed by a grantee or subgrantee is program income only if the revenues are specifically identified in the grant agreement or Federal agency regulations as program income. (See §85.34.)

(f) **Property.** Proceeds from the sale of real property or equipment will be handled in accordance with the requirements of §§85.31 and 85.32.

(g) **Use of program income.** Program income shall be deducted from outlays which may be both Federal and non-Federal as described below, unless the Federal agency regulations or the grant agreement specify another alternative (or a combination of the alternatives). In specifying alternatives, the Federal agency may distinguish between income earned by the grantee and income earned by subgrantees and between the sources, kinds, or amounts of income. When Federal agencies authorize the alternatives in paragraphs (g) (2) and (3) of this section, program income in excess of any limits stipulated shall also be deducted from outlays.

(1) **Deduction.** Ordinarily program income shall be deducted from total allowable costs to determine the net allowable costs. Program income shall be used for current costs unless the Federal agency authorizes otherwise. Program income which the grantee did not anticipate at the time of the award shall be used to reduce the Federal agency and grantee contributions rather than to increase the funds committed to the project.

(2) **Addition.** When authorized, program income may be added to the funds committed to the grant agreement by the Federal agency and the grantee. The program income shall be used for the purposes and under the conditions of the grant agreement.

(3) **Cost sharing or matching.** When authorized, program income may be used to meet the cost sharing or matching requirement of the grant agreement. The amount of the Federal grant award remains the same.

(h) **Income after the award period.** There are no Federal requirements governing the disposition of program income earned after the end of the award period (i.e., until the ending date of the final financial report, see paragraph (a) of this section), unless the terms of the agreement or the Federal agency regulations provide otherwise.

§ 85.26 Non-Federal audit.

(a) **Basic rule.** Grantees and subgrantees are responsible for obtaining audits in accordance with the

Single Audit Act Amendments of 1996 (31 U.S.C. 7501–7507) and revised OMB Circular A–133, “Audits of States, Local Governments, and Non-Profit Organizations.” The audits shall be made by an independent auditor in accordance with generally accepted government auditing standards covering financial audits.

(b) **Subgrantees.** State or local governments, as those terms are defined for purposes of the Single Audit Act Amendments of 1996, that provide Federal awards to a subgrantee which expends \$300,000 or more (or other amount as specified by OMB) in Federal awards in a fiscal year, shall:

(1) Determine whether State or local subgrantees have met the audit requirements of the Act and whether subgrantees covered by OMB Circular A–110, “Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations,” have met the audit requirements of the Act. Commercial contractors (private for-profit and private and governmental organizations) providing goods and services to State and local governments are not required to have a single audit performed. State and local governments should use their own procedures to ensure that the contractor has complied with laws and regulations affecting the expenditure of Federal funds;

(2) Determine whether the subgrantee spent Federal assistance funds provided in accordance with applicable laws and regulations. This may be accomplished by reviewing an audit of the subgrantee made in accordance with the Act, Circular A–133 (as set forth in 24 CFR part 45), or through other means (e.g., program reviews) if the subgrantee has not had such an audit;

(3) Ensure that appropriate corrective action is taken within six months after receipt of the audit report in instance of noncompliance with Federal laws and regulations;

(4) Consider whether subgrantee audits necessitate adjustment of the grantee's own records; and

(5) Require each subgrantee to permit independent auditors to have access to the records and financial statements.

(c) **Auditor selection.** In arranging for audit services, §85.36 shall be followed.

[53 FR 8068, 8087, Mar. 11, 1988, as amended at 57 FR 33255, July 27, 1992; 62 FR 61617, Nov. 18, 1997]

Changes, Property, and Subawards

§ 85.30 Changes.

(a) **General.** Grantees and subgrantees are permitted to rebudget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, unless waived by the awarding agency, certain types of post-award changes in budgets and projects shall require the prior written approval of the awarding agency.

(b) **Relation to cost principles.** The applicable cost principles (see §85.22) contain requirements for prior approval of certain types of costs. Except where waived, those requirements apply to all grants and subgrants even if paragraphs (c) through (f) of this section do not.

(c) **Budget changes -**

(1) **Nonconstruction projects.** Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award:

(i) Any revision which would result in the need for additional funding.

(ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget, whenever the awarding agency's share exceeds \$100,000.

(iii) Transfer of funds allotted for training allowances (i.e., from direct payments to trainees to

other expense categories).

(2) **Construction projects.** Grantees and subgrantees shall obtain prior written approval for any budget revision which would result in the need for additional funds.

(3) **Combined construction and non-construction projects.** When a grant or subgrant provides funding for both construction and non-construction activities, the grantee or subgrantee must obtain prior written approval from the awarding agency before making any fund or budget transfer from non-construction to construction or vice versa.

(d) **Programmatic changes.** Grantees or subgrantees must obtain the prior approval of the awarding agency whenever any of the following actions is anticipated:

(1) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval).

(2) Need to extend the period of availability of funds.

(3) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.

(4) Under non-construction projects, contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award. This approval requirement is in addition to the approval requirements of §85.36 but does not apply to the procurement of equipment, supplies, and general support services.

(e) **Additional prior approval requirements.** The awarding agency may not require prior approval for any budget revision which is not described in paragraph (c) of this section.

(f) **Requesting prior approval.**

(1) A request for prior approval of any budget revision will be in the same budget form as the grantee used in its application and shall be accompanied by a narrative justification for the proposed revision.

(2) A request for a prior approval under the applicable Federal cost principles (see §85.22) may be made by letter.

(3) A request by a subgrantee for prior approval will be addressed in writing to the grantee. The grantee will promptly review such request and shall approve or disapprove the request in writing. A grantee will not approve any budget or project revision which is inconsistent with the purpose or terms and conditions of the Federal grant to the grantee. If the revision, requested by the subgrantee would result in a change to the grantee's approved project which requires Federal prior approval, the grantee will obtain the Federal agency's approval before approving the subgrantee's request.

§ 85.31 Real property.

(a) **Title.** Subject to the obligations and conditions set forth in this section, title to real property acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) **Use.** Except as otherwise provided by Federal statutes, real property will be used for the originally authorized purposes as long as needed for that purposes, and the grantee or subgrantee shall not dispose of or encumber its title or other interests.

(c) **Disposition.** When real property is no longer needed for the originally authorized purpose, the grantee or subgrantee will request disposition instructions from the awarding agency. The instructions will provide for one of the following alternatives:

(1) **Retention of title.** Retain title after compensating the awarding agency. The amount paid to the awarding agency will be computed by applying the awarding agency's percentage of participation in the cost of the original purchase to the fair market value of the property. However, in those situations where a grantee or subgrantee is disposing of real property acquired with grant funds and acquiring replacement real property under the same program, the net proceeds from the disposition may be used as an offset to the cost of the replacement property.

(2) **Sale of property.** Sell the property and compensate the awarding agency. The amount due to the awarding agency will be calculated by applying the awarding agency's percentage of participation in the cost of the original purchase to the proceeds of the sale after deduction of any actual and reasonable selling and fixing-up expenses. If the grant is still active, the net proceeds from sale may be offset against the original cost of the property. When a grantee or subgrantee is directed to sell property, sales procedures shall be followed that provide for competition to the extent practicable and result in the highest possible return.

(3) **Transfer of title.** Transfer title to the awarding agency or to a third-party designated/approved by the awarding agency. The grantee or subgrantee shall be paid an amount calculated by applying the grantee or subgrantee's percentage of participation in the purchase of the real property to the current fair market value of the property.

§ 85.32 Equipment.

(a) **Title.** Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) **States.** A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(c) **Use.**

(1) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

(2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in §85.25(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.

(4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

(d) **Management requirements.** Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures

must be established to ensure the highest possible return.

(e) **Disposition.** When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

(3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

(f) **Federal equipment.** In the event a grantee or subgrantee is provided federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) **Right to transfer title.** The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third part named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

(1) The property shall be identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow §85.32(e).

(3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

§ 85.33 Supplies.

(a) **Title.** Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

(b) **Disposition.** If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

§ 85.34 Copyrights.

The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use, and to authorize others to use, for Federal Government purposes:

(a) The copyright in any work developed under a grant, subgrant, or contract under a grant or subgrant; and

(b) Any rights of copyright to which a grantee, subgrantee or a contractor purchases ownership with grant support.

§ 85.35 Subawards to debarred and suspended parties.

Grantees and subgrantees must not make any award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension."

§ 85.36 Procurement.

(a) **States.** When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-Federal funds. The State will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) Procurement standards.

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to sub-agreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement.

Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only—

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) Competition.

(1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of §85.36. Some of the situations considered to be restrictive of competition include but are not limited to:

(i) Placing unreasonable requirements on firms in order for them to qualify to do business,

(ii) Requiring unnecessary experience and excessive bonding,

(iii) Noncompetitive pricing practices between firms or between affiliated companies,

(iv) Noncompetitive awards to consultants that are on retainer contracts,

(v) Organizational conflicts of interest,

(vi) Specifying only a **brand name** product instead of allowing **an equal** product to be offered and describing the performance of other relevant requirements of the procurement, and

(vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

- (i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a **brand name or equal** description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and
- (ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all pre-qualified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) Methods of procurement to be followed.

(1) Procurement by **small purchase procedures**. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) Procurement by **sealed bids** (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in §85.36(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

- (A) A complete, adequate, and realistic specification or purchase description is available;
- (B) Two or more responsible bidders are willing and able to compete effectively and for the business; and
- (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

- (A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- (B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
- (C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- (D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by **competitive proposals**. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- (i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- (ii) Proposals will be solicited from an adequate number of qualified sources;
- (iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;
- (iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- (v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by **noncompetitive proposals** is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

- (A) The item is available only from a single source;
- (B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
- (C) The awarding agency authorizes noncompetitive proposals; or
- (D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) Contracting with small and minority firms, women's business enterprise and labor surplus area firms.

(1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
- (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) Contract cost and price.

(1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see §85.22). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) Awarding agency review.

(1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) **Bonding requirements.** For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) **A bid guarantee from each bidder equivalent to five percent of the bid price.** The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) **A performance bond on the part of the contractor for 100 percent of the contract price.** A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) **A payment bond on the part of the contractor for 100 percent of the contract price.** A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) **Contract provisions.** A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees)

(4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR part 3). (All contracts and subgrants for construction or repair)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts in excess of \$2000 awarded by grantees)

and subgrantees when required by Federal grant program legislation)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327–330) as supplemented by Department of Labor regulations (29 CFR part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000).

(13) Mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94–163, 89 Stat. 871). [53 FR 8068, 8087, Mar. 11, 1988, as amended at 60 FR 19639, 19642, Apr. 19, 1995]

§ 85.37 Subgrants.

(a) **States.** States shall follow state law and procedures when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. States shall:

(1) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations;

(2) Ensure that subgrantees are aware of requirements imposed upon them by Federal statute and regulation;

(3) Ensure that a provision for compliance with §85.42 is placed in every cost reimbursement subgrant; and

(4) Conform any advances of grant funds to subgrantees substantially to the same standards of timing and amount that apply to cash advances by Federal agencies.

(b) **All other grantees.** All other grantees shall follow the provisions of this part which are applicable to awarding agencies when awarding and administering subgrants (whether on a cost reimbursement or fixed amount basis) of financial assistance to local and Indian tribal governments. Grantees shall:

(1) Ensure that every subgrant includes a provision for compliance with this part;

(2) Ensure that every subgrant includes any clauses required by Federal statute and executive orders and their implementing regulations; and

(3) Ensure that subgrantees are aware of requirements imposed upon them by Federal statutes and regulations.

(c) **Exceptions.** By their own terms, certain provisions of this part do not apply to the award and administration of subgrants:

(1) Section 85.10;

(2) Section 85.11;

(3) The letter-of-credit procedures specified in Treasury Regulations at 31 CFR part 205, cited in §85.21; and Section 85.50.

Reports, Records, Retention, and Enforcement

§ 85.40 Monitoring and reporting program performance.

(a) **Monitoring by grantees.** Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

(b) **Non-construction performance reports.** The Federal agency may, if it decides that performance information available from subsequent applications contains sufficient information to meet its programmatic needs, require the grantee to submit a performance report only upon expiration or termination of grant support. Unless waived by the Federal agency this report will be due on the same date as the final Financial Status Report.

(1) Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, the Federal agency may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by the Federal agency.

(2) Performance reports will contain, for each grant, brief information on the following:

(i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.

(ii) The reasons for slippage if established objectives were not met.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(3) Grantees will not be required to submit more than the original and two copies of performance reports.

(4) Grantees will adhere to the standards in this section in prescribing performance reporting requirements for subgrantees.

(c) **Construction performance reports.** For the most part, on-site technical inspections and certified percentage-of-completion data are relied on heavily by Federal agencies to monitor progress under construction grants and subgrants. The Federal agency will require additional formal performance reports only when considered necessary, and never more frequently than quarterly.

(d) **Significant developments.** Events may occur between the scheduled performance reporting dates which have significant impact upon the grant or subgrant supported activity. In such cases, the grantee must inform the Federal agency as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

(e) Federal agencies may make site visits as warranted by program needs.

(f) Waivers, extensions.

(1) Federal agencies may waive any performance report required by this part if not needed.

(2) The grantee may waive any performance report from a subgrantee when not needed. The grantee may extend the due date for any performance report from a subgrantee if the grantee will still be able to meet its performance reporting obligations to the Federal agency.

§ 85.41 Financial reporting.

(a) General.

(1) Except as provided in paragraphs (a) (2) and (5) of this section, grantees will use only the forms specified in paragraphs (a) through (e) of this section, and such supplementary or other forms as may from time to time be authorized by OMB, for:

- (i) Submitting financial reports to Federal agencies, or
- (ii) Requesting advances or reimbursements when letters of credit are not used.

(2) Grantees need not apply the forms prescribed in this section in dealing with their subgrantees. However, grantees shall not impose more burdensome requirements on subgrantees.

(3) Grantees shall follow all applicable standard and supplemental Federal agency instructions approved by OMB to the extent required under the Paperwork Reduction Act of 1980 for use in connection with forms specified in paragraphs (b) through (e) of this section. Federal agencies may issue substantive supplementary instructions only with the approval of OMB. Federal agencies may shade out or instruct the grantee to disregard any line item that the Federal agency finds unnecessary for its decision-making purposes.

(4) Grantees will not be required to submit more than the original and two copies of forms required under this part.

(5) Federal agencies may provide computer outputs to grantees to expedite or contribute to the accuracy of reporting. Federal agencies may accept the required information from grantees in machine usable format or computer printouts instead of prescribed forms.

(6) Federal agencies may waive any report required by this section if not needed.

(7) Federal agencies may extend the due date of any financial report upon receiving a justified request from a grantee.

(b) Financial Status Report -

(1) **Form.** Grantees will use Standard Form 269 or 269A, Financial Status Report, to report the status of funds for all non-construction grants and for construction grants when required in accordance with §85.41(e)(2)(iii) of this section.

(2) **Accounting basis.** Each grantee will report program outlays and program income on a cash or accrual basis as prescribed by the awarding agency. If the Federal agency requires accrual information and the grantee's accounting records are not normally kept on the accrual basis, the grantee shall not be required to convert its accounting system but shall develop such accrual information through and analysis of the documentation on hand.

(3) **Frequency.** The Federal agency may prescribe the frequency of the report for each project or program. However, the report will not be required more frequently than quarterly. If the Federal agency does not specify the frequency of the report, it will be submitted annually. A final report will be required upon expiration or termination of grant support.

(4) **Due date.** When reports are required on a quarterly or semiannual basis, they will be due 30 days after the reporting period. When required on an annual basis, they will be due 90 days after the grant year. Final reports will be due 90 days after the expiration or termination of grant support.

(c) Federal Cash Transactions Report -

(1) Form.

- (i) For grants paid by letter or credit, Treasury check advances or electronic transfer of funds, the grantee will submit the Standard Form 272, Federal Cash Transactions Report, and when necessary, its continuation sheet, Standard Form 272a, unless the terms of the award exempt

the grantee from this requirement.

(ii) These reports will be used by the Federal agency to monitor cash advanced to grantees and to obtain disbursement or outlay information for each grant from grantees. The format of the report may be adapted as appropriate when reporting is to be accomplished with the assistance of automatic data processing equipment provided that the information to be submitted is not changed in substance.

(2) **Forecasts of Federal cash requirements.** Forecasts of Federal cash requirements may be required in the "Remarks" section of the report.

(3) **Cash in hands of subgrantees.** When considered necessary and feasible by the Federal agency, grantees may be required to report the amount of cash advances in excess of three days' needs in the hands of their subgrantees or contractors and to provide short narrative explanations of actions taken by the grantee to reduce the excess balances.

(4) **Frequency and due date.** Grantees must submit the report no later than 15 working days following the end of each quarter. However, where an advance either by letter of credit or electronic transfer of funds is authorized at an annualized rate of one million dollars or more, the Federal agency may require the report to be submitted within 15 working days following the end of each month.

(d) **Request for advance or reimbursement -**

(1) **Advance payments.** Requests for Treasury check advance payments will be submitted on Standard Form 270, Request for Advance or Reimbursement. (This form will not be used for drawdowns under a letter of credit, electronic funds transfer or when Treasury check advance payments are made to the grantee automatically on a predetermined basis.)

(2) **Reimbursements.** Requests for reimbursement under non-construction grants will also be submitted on Standard Form 270. (For reimbursement requests under construction grants, see paragraph (e)(1) of this section.)

(3) The frequency for submitting payment requests is treated in §85.41(b)(3).

(e) **Outlay report and requests for reimbursement for construction program-**

(1) **Grants that support construction activities paid by reimbursement method.**

(i) Requesters for reimbursement under construction grants will be submitted on Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. Federal agencies may, however, prescribe the Request for Advance or Reimbursement form, specified in §85.41(d), instead of this form.

(ii) The frequency for submitting reimbursement requests is treated in §85.41(b)(3).

(2) **Grants that support construction activities paid by letter of credit, electronic funds transfer or Treasury check advance.**

(i) When a construction grant is paid by letter of credit, electronic funds transfer or Treasury check advances, the grantee will report its outlays to the Federal agency using Standard Form 271, Outlay Report and Request for Reimbursement for Construction Programs. The Federal agency will provide any necessary special instruction. However, frequency and due date shall be governed by §85.41(b) (3) and (4).

(ii) When a construction grant is paid by Treasury check advances based on periodic requests from the grantee, the advances will be requested on the form specified in §85.41(d).

(iii) The Federal agency may substitute the Financial Status Report specified in §85.41(b) for the Outlay Report and Request for Reimbursement for Construction Programs.

(3) **Accounting basis.** The accounting basis for the Outlay Report and Request for Reimbursement for Construction Programs shall be governed by §85.41(b)(2).

§ 85.42 Retention and access requirements for records.

(a) Applicability.

(1) This section applies to all financial and programmatic records, supporting documents, statistical records, and other records of grantees or subgrantees which are:

- (i) Required to be maintained by the terms of this part, program regulations or the grant agreement, or
- (ii) Otherwise reasonably considered as pertinent to program regulations or the grant agreement.

(2) This section does not apply to records maintained by contractors or subcontractors. For a requirement to place a provision concerning records in certain kinds of contracts, see §85.36(i)(10).

(b) Length of retention period. (1) Except as otherwise provided, records must be retained for three years from the starting date specified in paragraph (c) of this section.

(2) If any litigation, claim, negotiation, audit or other action involving the records has been started before the expiration of the 3-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular 3-year period, whichever is later.

(3) To avoid duplicate recordkeeping, awarding agencies may make special arrangements with grantees and subgrantees to retain any records which are continuously needed for joint use. The awarding agency will request transfer of records to its custody when it determines that the records possess long-term retention value. When the records are transferred to or maintained by the Federal agency, the 3-year retention requirement is not applicable to the grantee or subgrantee.

(c) Starting date of retention period -

(1) **General.** When grant support is continued or renewed at annual or other intervals, the retention period for the records of each funding period starts on the day the grantee or subgrantee submits to the awarding agency its single or last expenditure report for that period. However, if grant support is continued or renewed quarterly, the retention period for each year's records starts on the day the grantee submits its expenditure report for the last quarter of the Federal fiscal year. In all other cases, the retention period starts on the day the grantee submits its final expenditure report. If an expenditure report has been waived, the retention period starts on the day the report would have been due.

(2) **Real property and equipment records.** The retention period for real property and equipment records starts from the date of the disposition or replacement or transfer at the direction of the awarding agency.

(3) **Records for income transactions after grant or subgrant support.** In some cases grantees must report income after the period of grant support. Where there is such a requirement, the retention period for the records pertaining to the earning of the income starts from the end of the grantee's fiscal year in which the income is earned.

(4) **Indirect cost rate proposals, cost allocations plans, etc.** This paragraph applies to the following types of documents, and their supporting records: Indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(i) **If submitted for negotiation.** If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the grantee) to form the basis for negotiation of the rate, then the 3-year retention period for its supporting records starts from the date of such submission.

(ii) **If not submitted for negotiation.** If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the grantee) for negotiation purposes, then the 3-year retention period for the proposal plan, or computation and its

supporting records starts from end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

(d) **Substitution of microfilm.** Copies made by microfilming, photocopying, or similar methods may be substituted for the original records.

(e) **Access to records -**

(1) **Records of grantees and subgrantees.** The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts.

(2) **Expiration of right of access.** The rights of access in this section must not be limited to the required retention period but shall last as long as the records are retained.

(f) **Restrictions on public access.** The Federal Freedom of Information Act (5 U.S.C. 552) does not apply to records Unless required by Federal, State, or local law, grantees and subgrantees are not required to permit public access to their records.

§ 85.43 Enforcement.

(a) **Remedies for noncompliance.** If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

(1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,

(2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,

(3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,

(4) Withhold further awards for the program, or

(5) Take other remedies that may be legally available.

(b) **Hearings, appeals.** In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) **Effects of suspension and termination.** Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

(1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are non-cancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) **Relationship to debarment and suspension.** The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to "Debarment and Suspension" under E.O. 12549 (see §85.35).

§ 85.44 Termination for convenience.

Except as provided in §85.43 awards may be terminated in whole or in part only as follows:

- (a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or
- (b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either §85.43 or paragraph (a) of this section.

Subpart D—After-the-Grant Requirements

§ 85.50 Closeout.

- (a) **General.** The Federal agency will close out the award when it determines that all applicable administrative actions and all required work of the grant has been completed.
- (b) **Reports.** Within 90 days after the expiration or termination of the grant, the grantee must submit all financial, performance, and other reports required as a condition of the grant. Upon request by the grantee, Federal agencies may extend this timeframe. These may include but are not limited to:
 - (1) Final performance or progress report.
 - (2) Financial Status Report (SF 269) or Outlay Report and Request for Reimbursement for Construction Programs (SF–271) (as applicable).
 - (3) Final request for payment (SF–270) (if applicable).
 - (4) Invention disclosure (if applicable).
 - (5) Federally-owned property report:

In accordance with §85.32(f), a grantee must submit an inventory of all federally owned property (as distinct from property acquired with grant funds) for which it is accountable and request disposition instructions from the Federal agency of property no longer needed.

- (c) **Cost adjustment.** The Federal agency will, within 90 days after receipt of reports in paragraph (b) of this section, make upward or downward adjustments to the allowable costs.
- (d) **Cash adjustments.**
 - (1) The Federal agency will make prompt payment to the grantee for allowable reimbursable costs.
 - (2) The grantee must immediately refund to the Federal agency any balance of unobligated (unencumbered) cash advanced that is not authorized to be retained for use on other grants.

§ 85.51 Later disallowances and adjustments.

The closeout of a grant does not affect:

- (a) The Federal agency's right to disallow costs and recover funds on the basis of a later audit or other review;
- (b) The grantee's obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- (c) Records retention as required in §85.42;
- (d) Property management requirements in §§85.31 and 85.32; and
- (e) Audit requirements in §85.26.

§ 85.52 Collection of amounts due.

- (a) Any funds paid to a grantee in excess of the amount to which the grantee is finally determined to be entitled under the terms of the award constitute a debt to the Federal Government. If not paid within a reasonable period after demand, the Federal agency may reduce the debt by:
 - (1) Making an administrative offset against other requests for reimbursements,

(2) Withholding advance payments otherwise due to the grantee, or

(3) Other action permitted by law.

(b) Except where otherwise provided by statutes or regulations, the Federal agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (4 CFR Ch. II). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

Subpart E—Entitlement [Reserved]

Abbreviations and Acronyms

AD	Assessment District
ADA	American Disabilities Act
APA	American Planning Association
ARRA	American Recovery & Reinvestment Act
CAFR	Consolidated Annual Financial Report
CALPERS	California Public Employees* Retirement System
CEQA	California Environmental Quality Act
CCID	Central California Irrigation District
CDA	California Downtown Association
CDBG	Community Development Block Grant
CFD	Community Facilities District
CHRP	Cops Hiring Recovery Program
CMAQ	Congestion Mitigation and Air Quality Improvement Program
COLA	Cost of Living Adjustment
COP	Certification of Participation
CPI	Consumer Price Index
CSJVRMA	Central San Joaquin Valley Risk Management Association
CSMFO	California Society of Municipal Finance Officer
DOF	Department of Finance
DOJ	Department of Justice
ERAF	Education Revenue Augmentation Fund
FAA	Federal Aviation Administration
FTE	Full Time Equivalent (Employee)
FY	Fiscal Year
GAAP	Generally Accepted Accounting Principles
GAAS	Generally Accepted Auditing Standards
GASB	Governmental Accounting Standards Board
GFOA	Government Finance Officers Association
BCD	Housing and Community Development
HOME	Home Investment Partnership Program
HR	Human Resources
ISO	Insurance Services Office
ISF	Internal Service Fund
IT	Information Technology
JAG	Justice Assistance Grant
JHBG	Jobs Housing Balance Grant
L&L/LLD's	Landscape & Lighting Districts
LAFCO	Local Agency Formation Commissions
LMH	Low and Moderate Housing
LGC	Local Government Commission
LLEBG	Local Law Enforcement Block Grant
LTF	Local Transportation Fund
MCAG	Merced County Association of Governments

MOU Memorandum of Understanding
NEPA National Environmental Policy Act
NOFA Notice of Funding Availability
NOI Net Operating Income
NSP Neighborhood Stabilization Program
OPEB Other Post Employee Benefits
OTS Office of Traffic Safety
PTA Planning and Technical Assistance
PTAF Property Tax Administration Fee
RDA Redevelopment Agency
RFP Request for Proposal
RSTP Regional Surface Transportation Program
RTIF Regional Traffic Impact Fee
SB325 Senate Bill 325
SERAF Supplemental Educational Revenue Augmentation Fund
SJUAPCD San Joaquin Valley Unified Air Pollution Control District
SLESF Supplemental Law Enforcement Services Fund
SOI Sphere of Influence
SRTS Safe Route to Schools Grant
TOT Transient Occupancy Tax
VLF Motor Vehicle in Lieu Fees
WWTP Wastewater Treatment Plant

Fund Descriptions

GOVERNMENTAL FUNDS

101 General Fund

Accounts for the operation of general government departments. i.e. City Manager, City Clerk, Finance, City Services, Planning, Police, Fire, Parks, Streets, Animal Control, and City Attorney.

SPECIAL REVENUE FUNDS

102 – Asset Forfeiture

Accounts for any monies seized during police efforts to combat drug sales and use. Once the forfeiture process is completed by the County the city is awarded a portion of any funds seized that the courts deem to be subject to forfeiture. May only be used for drug-related policing issues with a mandatory 20% set-aside for public outreach and education.

261 Gas Tax - 2107

State allocated funds for Street Improvements.

263 Transportation Tax - S.B. 325

County allocated funds for Pedestrian & Transportation Projects.

264 Transportation Tax - S.B. 620

State allocated funds for Transit Services – passed thru County.

265 STP Hwy Funds

State allocated funds for Surface Transportation Program.

576 Waste Water Capital-Reserve

A Capital replacement fund for the wastewater treatment plant.

556 Land Application

Accounts for the operation of the Land Application Department.

DEBT SERVICE FUND

Accounts for all the debt obligations of the City and the City as the Successor Agent for the former RDA.

CAPITAL PROJECT FUNDS

All Capital improvement shall be accounted for within this fund with appropriations transfers from other funds.

SPECIAL ASSESSMENT FUNDS

200 – Street Improvement Fund

A fund established to account for all revenue, billed and collected within the water, sewer, refuse rates, with specific allocation for street construction and renovation projects.

841 Curb & Gutter Fund

A fund established by City Council as a revolving loan. Loans made to citizens are used for subsidizing improvements to citizens' curbs, gutters and sidewalks. Repayable interest free for 24 months. Loan issued to citizens under standard curb and gutter contract that is recorded with the County as a lien on subject property.

856 Storm Drain System

Fee placed on all new buildings for the building of storm drains.

883-892 LLAD

Lighting & Landscape Assessment Districts

PROPRIETARY FUNDS

ENTERPRISE FUNDS

300 McDermont Field House-Recreation

Specialized Department designed to meet the recreational and entertainment needs of Lindsay and surrounding communities with an emphasis on fitness and well-being. Also provides facility for LUSD After-School Programs. *Retired in 2017.*

400 Wellness Center

Facility dedicated to the health and wellness of Lindsay area

552 Enterprise Fund - Water

Accounts for the operation of the Water Department

553 Enterprise Fund – Sewer

Accounts for the operation of the Sewer Department.

554 Enterprise Fund - Refuse

Accounts for the operation of the Refuse Department.

GENERAL FUND REVENUES

Property Tax

Administering Agency - County Assessor

The combined city-county-school district-special property tax is one percent of assessed value. The county allocates revenues from the one percent tax to cities, school districts, special districts, and itself according to the formula set forth in Sections 95-100 of the Revenue and Taxation Code. City's share is approximately 17% of 1%.

Sales and Use Tax

Administering Agency - State Board of Equalization

The State Sales and Use Tax is imposed on retailers for the privilege of selling at retail. The City levies a tax of one percent. Tax is collected on a point of sale basis.

Franchise Fees

Administering Agency - City

Cities are authorized to impose “franchise” fee on privately owned utility companies and certain other businesses for the privilege of using City streets and rights-of-way. Businesses which are required to pay such fees include Southern California Edison Company, Southern California Gas Company, Charter Communications (Cable Co.) and USA Waste.(disposal).

Real Property Transfer Tax

Administering Agency - County

This tax is imposed in the transfer of real property. Counties are authorized to levy the tax at a rate of \$0.55 per \$500 of the sale value, exclusive of any lien or encumbrance remaining at the time of sale. Cities are authorized to levy the same tax at one-half the County rate. The city tax is then credited against the county tax. In such a case, the city and county each receive \$0.275 per \$500 sale value.

Transient Occupancy Tax

Administering Agency - City

The transient lodging tax is imposed on an individual for the privilege of occupying a room or rooms in a lodging facility unless such occupancy is for a period of more than 30 days. Rooms rented by employees of Federal and State government units while on business, are exempt. The rate for the City of Lindsay is 8 percent.

Utility User’s Tax

Administering Agency - City

The Utility User’s Tax was adopted by the City Council effective November 30, 1994. The rate is 6% and applies to Water, Sewer, Refuse, Gas, Electricity, Telephone and Cable Television. The Ordinance allows a user to pay an annual maximum (tbd each year) to become exempt from any one service. Senior Citizens also qualify for a rebate of one-third of their taxes paid if they request the rebate at the end of each fiscal year.

Building Permits

Administering Agency - City

The building development fee is imposed on the addition or construction of new residential, commercial, or industrial units to provide for operation of Building Inspection Services pursuant to Section 304 of the Uniform Building Code. These permits include building, electrical, plumbing, mechanical and strong motion instrument. (earthquake).

Business Licenses

Administering Agency - City

The business license tax is imposed on businesses for the privilege of conducting business within the City. Generally the tax is either based on gross receipts or levied on a flat basis.

Court Fines

Administering Agency - County

When a misdemeanor or infraction is committed within city boundaries, the City shares with the County all forfeitures of bail and all fines collected upon conviction in any municipal or justice court. Certain revenues from Vehicle Code fines and forfeitures must be issued for traffic safety purposes.

Other Fines

Administering Agency - City

Miscellaneous fines levied by the Municipal Court of which the City receives a share for violations occurring within City boundaries.

Parking Fines

Administering Agency - City

Fines for violations of the City's parking ordinance. The fine is currently \$25.00 per violation.

Interest Income

Administering Agency - City

The account reflects earnings from the investment of idle funds.

Rent, Small Business Incubator

Administering Agency - City

Rents collected from the businesses that occupy the Small Business Incubator project. Rents are based on a graduated scale over three years. This is intended to help new businesses become a going concern before they relocate to the community.

Rent, Real Property

Administering Agency – City

Fees are collected for rent of the Multi-purpose building, Park Arbors, Sweet Briar Plaza, Olive Bowl, and park areas owned and maintained by City.

Sale Personal Property

Administering Agency - City

This account receives funds from the sale of City owned property. Examples of the types of property sold would include items declared as surplus, i.e. vehicles, bicycles, tools, etc.

Zoning Fees

Administering Agency-City

These fees are established pursuant to Government Code Section 65250 “to provide funds necessary for work of the planning agencies”. The fees established represent the reasonable cost of providing service. Fees are collected for entitlement applications, Environmental Assessments and Subdivision processing.

Rebates

Administering Agency-City

This account receives various refunds, such as the annual retrospective adjustment from our Liability and Work Comp deposits with the C.S.J.V.R.M.A.

Miscellaneous

Administering Agency-City

This account receives various revenues, including pay phone revenue from the two pay phones on city property. This account also includes the S.B. 90 state mandated cost reimbursements.

Other Police Services

Administering Agency-City

Fees charged by the police department for fingerprinting, report copies, blood alcohol fees, etc.

Operational Charges

Administering Agency- City

Charges collected and then distributed to the various enterprise funds to reimburse direct costs.

POST

Administering Agency State Commission on Peace Officer Standards and Training

Partial training reimbursement for officers and dispatchers tuition, salary, subsistence and travel for POST authorized courses.

Animal Licenses/Fines/Misc.

Administering Agency-City

Section 38972 of the Government Code authorizes cities to impose a dog license fee not to exceed the cost of providing services related to dogs. The current fee is \$5.00 per year for spayed or neutered animals and \$10.00 per year for all others.

Motor Vehicle Fines

Administering Agency-City/

County Cities share with the County all fines collected upon conviction of a misdemeanor or an infraction in any municipal or judicial court and bail moneys forfeited following a misdemeanor or infraction charge when such a fine or forfeiture results from a misdemeanor or infraction committed within city boundaries. Distribution of these revenues varies depending upon whether the fine or

forfeiture is derived from a Vehicle Code violation or some other violation and upon the employing agency of the arresting officer.

Public Safety Augmentation Fund

Administering Agency-City

Proceeds from the half cent sales tax that is used to provide additional funding for new programs, services or supplies in the Public Safety Department.

Public Safety Gas Tank Cleanup

Admin Agency-Water Quality Control Board

A grant from the State of California to cleanup the site of the old underground storage tank.

Bicycle License

Administering Agency-City

Bicycles are licensed under Section 39000 et seq. of the Vehicle Code. Bicycle license revenue is restricted to support the licensing process, improve bicycle safety programs, etc.

Tulare County COPS Grant

Administering Agency-State of California

A grant from the State of California to fund equipment in the Public Safety Department.

SLESF Grant

Administering Agency-State of California

A grant from the State of California to fund a portion of overtime and various supplies in the Public Safety Department.

Curb & Gutter Payments

Administering Agency-City

Payments received from individuals who have loans outstanding from the Curb and Gutter Revolving Loan Fund.

USDA Loan

Administering Agency-City

Loans from the USDA to provide expansion of the City of Lindsay Library and Wellness Center including accessibility issues.

GAS TAX FUNDS

Gasoline Taxes

Administering Agency-State Controller

Cities receive a share of the revenues derived from the State taxes on gasoline. Under section 2105, 2106 2107, and 2107.5, each city receives a monthly share of the revenues on a per-capita basis, divided into various funds for restricted street maintenance and construction uses.

Transportation Development Act

Administering Agency-County

This fund was established to receive and expand the City's allocation of Sales Tax under SB-325. This bill reduced the State's percentage of Sale Tax by 1/4% and allowed the counties within the State of California to increase their sales tax percentage by 1/4%. The funds generated by this 1/4% are allocated to the counties and a portion of this is then allocated to the cities within each county.

Measure R

Administering Agency-TCAG

½ cent gas tax passed by Tulare County residents to address transportation issues; city receives a monthly portion of all funds collected within its boundaries and may submit major qualified projects for funding consideration to the TCAG Board.

ENTERPRISE FUNDS

Water

Administering Agency-City

This fund was established to record the operations of the water enterprise of the City. The City collects connection fees for the replacement of the water delivery system.

Refuse

Administering Agency-City

The City collects user fees from businesses and residences for refuse service provide via contractor currently Mid-Valley Disposal Services.

Sewer

Administering Agency-City

This fund was established to record the operations of the sewer enterprise of the City. The City collects connection fees for the replacement of the sewer system

McDermont Field House

Administering Agency-City

Regional Recreational Center that generates revenues thru user fees, membership fees, rental and special use fees. Coordinates all local recreation programs.

Wellness Center

Administering Agency-City

Regional Wellness Center that generates revenues thru user fees, membership fees, rental and special use fees. Coordinates all local aquatic and Wellness programs

Special Pickups

Administering Agency-City

Citizens can call and ask that we send a brush pickup truck out to their home to pickup various items that the normal refuse truck cannot handle.

Waste Water Capital Reserve-interest

Administering Agency-City

The interest earned on the balance in the reserve account.

SPECIAL USE FUNDS

Capital Improvement

Administering Agency-City

New construction building permits are assessed at a 1% fee. These funds are used to purchase new parks and improve existing ones.

Landscape Assessment Districts

Administering Agency-City

Landowners in new developments are assessed through the County Tax Collectors office for the amount necessary to fund the operations and maintenance of the landscape districts surrounding their developments.

UDAG-Interest

Administering Agency-City

The interest earned on the balance in the reserve account.

Housing and Economic Development

Administering Agency-City

Grants received from various State and Federal Agencies (C.D.B.G., S.R.R.P.,F.M.H.A.) for various housing and economic development purposes.

Storm Drain System-Assessments

Administering Agency-City

A fee placed on all new buildings for the construction of storm drains.

CCPI Pond & Pipeline (Land Application)

Administering Agency-City

The City pays an annual lease payment for the use of land. CCPI reimburses the City for the cost of this lease.

GLOSSARY OF PROCUREMENT TERMS

Brand Name Or Equal Specifications.

A specification limited to one or more items by manufacturers' names or catalog numbers to describe the standard of quality, performance, and other salient characteristics needed to meet City requirements, and which provides for the submission of equivalent products.

Brand Name Specifications.

A specification limited to one or more items by manufacturers' names or catalog numbers.

Business.

Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.

Business, Local.

Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity, which maintains a physical working office within the geographic boundaries of the City of Farmersville.

Buyer.

A professionally trained person employed by Procurement Services to obtain materials and services for City departments, in accordance with all state and local laws and internal City policies and procedures.

Change Order.

A written order signed and issued by the Purchasing Agent, or his designee, directing the supplier or contractor to make changes or modifications to an order. The change order may make written alteration to the specifications, delivery point, rate of delivery, period of performance, price, quality, quantity, or other provisions of the contract.

Contract.

Any authorized City agreement, regardless of what it is called (purchase order, contract, etc.), for the procurement of supplies, equipment, services, or construction.

Contractor.

Any person having a contract with the City.

Construction.

The erection or assembly of large structures. The term construction is, to a significant degree, synonymous with building, but in common usage it most often is applied to such major works as buildings, ships, aircraft, and public works such as roads, dams, and bridges.

Cost Analysis.

The evaluation of cost data for arriving at costs actually incurred or estimates of costs to be incurred, prices to be paid, and costs to be reimbursed.

Cost Data.

Factual information concerning the cost of labor, material, overhead, and other cost elements that are expected to be incurred, or which have been actually incurred, by the contractor in performing the contract; or that are expected to be incurred by the City in the use of the equipment or material to be purchased.

Cost Reimbursement Contract.

A contract under which a contractor is reimbursed for costs which are allowable and allocable in accordance with the contract terms and the provisions, and a fee or profit, if any.

Emergency Purchase Order.

An emergency purchase order results when a situation arises in which compliance with normal procurement practice is impracticable or contrary to the public interest.

Employee.

An individual drawing a salary or wages from the City, whether elected or not; any non-compensated individual performing personal services for the City or any department, agency, commission, council, board, or any other entity established by the executive or legislative branch of the City; and any non-compensated individual serving as an elected official of the City.

Fixed Asset.

All City equipment and other assets with a purchase price of \$5,000 or more, including tax and delivery, and relatively permanent.

Formal Bids.

Formal bids are those that are obtained by written solicitation. The bids are received in writing by a set date and time. The bids are publicly opened by Procurement Services. The written bids and the bid summary are maintained by Procurement Services.

Gratuity.

A payment, loan, subscription, advance, deposit of money, service, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received

Immediate Family.

A spouse, children, parents, brothers, and sisters.

Informal Quotes.

Informal quotes are offers made by vendors. The quotes may be verbal, electronic, or written. The Buyer maintains a summary of the quotes received.

Invitation for Bids.

All documents, whether attached or incorporated by reference utilized for soliciting sealed bids. Invitations for Bids (IFB) are awarded to the lowest responsive and responsible bidder(s).

Local Business. (See Business, Local).

Personal Services Contract.

An accepted means for providing specialized tasks, which cannot be as effectively accomplished by the regular work force.

Prevailing Wage.

In accordance with Labor Code Sections 1770-1773 prevailing wages must be paid to all workers on a "public works" project when the project is over \$1,000.

Price Analysis.

The evaluation of price data, without analysis of the separate cost components and profit as in cost analysis, which may assist in arriving at prices to be paid and costs to be reimbursed.

Pricing Data.

Information concerning prices for items substantially similar to those being procured. Prices in this definition refer to offered or proposed selling prices, historical selling prices and current selling prices. The definition refers to data relevant to both prime and sub-contract prices.

Procurement.

The buying, purchasing, renting, leasing, trading, or otherwise acquiring of any supplies, equipment, services, or construction. It also includes all functions that pertain to the obtaining of any supplies, equipment, services, or construction, including descriptions of requirements, selection and solicitation of sources, preparation and award of contracts, and all phases of contract administration.

Procurement Policy.

Procurement governing document approved by resolution by the City Council of Farmersville.

Public Works Project.

As defined in Public Contract Code § 20150.2, "public project" means: a project for the erection, improvement, and repair of public buildings and works.

Purchase Order.

City's commitment for the value of the material or service ordered. It is a legal document.

Request for Proposals.

All documents, whether attached or incorporated by reference, utilized for soliciting proposals. Requests for Proposals (RFP) are generally awarded based on several evaluation factors, including price.

Requesting Department.

Any department, commission, board, or agency requiring supplies, equipment, services, or construction.

Responsible Bidder or Offeror.

A person who has the capability in all respects to perform fully the contract requirements, and the tenacity, perseverance, experience, integrity, reliability, capacity, facilities, equipment, and credit which will assure good faith performance, and who has submitted a bid that conforms in all material respects to the requirements set forth in the solicitation.

Services.

The furnishing of labor, time, or effort by a contractor, not involving delivery of a specific product other than reports which are merely incidental to the required performance.

Specification

Any description or scope of work of the physical or functional characteristics or of the nature of supplies, equipment, service, or construction. It may include a description of any requirement for inspection, testing or delivery of supplies, equipment, services, or construction.

Supplier List.

A list of potential bidders, listed by commodity codes for materials and services furnished.

GLOSSARY OF TERMS

Absentee Owner

Property owner who owns property at one location, but lives or operates a business at another location.

Accountability:

Being obligated to explain one's actions, to justify what one does. Accountability requires governments to answer to the citizenry—to justify the raising of public resources and the purposes for which they are used. Governmental accountability is based on the belief that the citizenry has a “right to know,” and a right to receive openly declared facts that may lead to public debate by citizens and their elected representatives.

Accrual Basis of Accounting:

A method of accounting that recognizes the financial effect of transactions, events, and inter-fund activities when they occur, regardless of the timing of related cash flows.

Accrued Interest:

The accumulated interest due on a bond or loan as of the last interest payment made by the issuer.

Accumulated Depreciation:

A valuation account to record the accumulation of periodic credits made to record the expiration of the estimated service life of fixed assets.

Activity:

A specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible (e.g., police is an activity within the public safety function).

Actuarial Accrued Liability:

Term used in connection with defined benefit pension plans. That portion, as determined by a particular actuarial cost method, of the actuarial present value of pension plan benefits and expenses which are not provided for by future normal costs.

Actuarial Assumptions:

Term used in connection with defined benefit pension plans. Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability and retirement; changes in compensation and government-provided pension benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the actuarial value of assets; characteristics of future entrants for open group actuarial cost methods; and other relevant items.

Actuarial Cost Method:

Term used in connection with defined benefit pension plans. A procedure for determining the actuarial present value of pension benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a normal cost and an actuarial accrued liability.

Actuarial Value of Assets:

Term used in connection with defined benefit pension plans. The value of cash, investments, and other property belonging to a pension plan, as used by the actuary for the purpose of an actuarial valuation. The actuarial value of assets, which may represent an average value over time, normally differs from the amount

reported in the financial statements, which is a point-in-time measure (i.e., as of the date of the statement of net assets).

Ad Valorem Tax:

A tax assessed based on the dollar value of an item or activity. Typical examples are property taxes and sales taxes. Ad valorem taxes, contrast with per-unit taxes, such as alcoholic beverage and cigarette taxes, which are assessed at a fixed dollar per unit purchased.

Administrative Budget:

Within the context of AB1X 26, this budget covers the administrative costs of Successor Agencies to the former dissolved Redevelopment Agencies.

Adopted Budget:

The official budget as approved by the Lindsay City Council at the start of each fiscal year.

Advance Refunding:

A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and to pay the principal on the old debt either as it matures or at an earlier call date. An advance refunding occurs before the maturity or call date of the old debt, and the proceeds of the new debt are invested until the maturity or call date of the old debt. Most advanced refundings result in defeasance of debt.

Agency:

A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally sponsored agencies (FSA's) are backed by each particular agency with a market perception that there is an implicit government guarantee. An example of a federal agency is the Government National Mortgage Association (GNMA). An example of a FSA is the Federal National Mortgage Association (FNMA).

Agency Fund:

One of the types of a Fiduciary Fund Type. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency Funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Example: Plainview Water District.

AIMS - Acclamation Insurance Management Services:

Third-party adjuster that administers all workmen's compensation and liability claims on behalf of the City.

Amortization:

The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

Annual Appropriated Budget:

The expenditure authority and related estimated revenues created by the appropriation bills or ordinances that are approved by the Lindsay City Council and signed into law by the Mayor. The annual appropriated budget would include all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes.

Annual Required Contribution (ARC):

Term used in connection with defined benefit pension plans. The employer's mandated contribution for the year, calculated in accordance with certain parameters. The parameters include requirements for the

frequency and timing of actuarial valuations as well as for the actuarial methods and assumptions that are acceptable for financial reporting.

Appropriation:

A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Assessed Valuation:

A valuation set upon real estate or other property by a government as a basis for levying taxes. Assessed value multiplied by the tax rate determines the property tax.

Assessment District.

A defined area of land which will be benefited by the acquisition, construction or maintenance of a public improvement. An assessment district is not a separate government entity.

Audit:

A review of the City's accounts by an independent auditing firm to substantiate year-end fund balances, reserves, cash on hand, revenues, and expenditures.

Availability Criterion:

Principle of the modified accrual basis of accounting according to which revenues may only be recognized when they are collectible within the current period or soon enough thereafter to be used to pay liabilities.

Availability Period:

A specified period immediately following the close of the fiscal year by the end of which cash must be collected for related revenue to be recognized in accordance with the availability criterion of modified accrual accounting (the City of Lindsay period is July 1st thru August 31st).

Basis of Accounting:

The time of recognition, that is, when the effects of transactions or events should be recognized for financial reporting purposes. For example, the effects of transactions or events can be recognized on an accrual basis (that is, when the transactions or events take place), or on a cash basis (that is, when cash is received or paid). Basis of accounting is an essential part of measurement focus because a particular timing of recognition is necessary to accomplish a particular measurement focus.

Betterment:

An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its efficiency or capacity. The cost of the addition or change is added to the book value of the asset. The term "improvement" is preferred.

Bid:

The indicated price at which a buyer is willing to purchase a security or commodity.

Blighted Areas:

Areas and/or structures of a community which constitute either physical, social, or economic liabilities requiring redevelopment in the interest of health, safety, and general welfare of the people of the community and the state.

Book Value:

The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

Bond:

A written promise to pay a specific sum of money called the face value or principal amount, at a specified date or dates in the future, called maturity date(s), together with periodic interest at a specified rate. The difference between a note and a bond is that the latter runs for a period of time and requires greater legal formality.

Bond Resolution:

A legal order or contract by a governmental unit to authorize a bond issue. A bond resolution carefully details the rights of the bondholders and the obligations of the issuer.

Broker:

A broker brings buyers and sellers together for a commission. He or she does not take a position.

Budget:

A plan of financial operation embodying an estimate of proposed expenditures for a given period and the proposed means of financing them. Used without any modifier, the term usually indicates a financial plan for a single fiscal year. The term "budget" is used in two senses in practice. It can designate the financial plan presented to the appropriating body for adoption or the plan finally approved by that body.

Budget Document:

The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of three parts. The first part contains a message from the budget-making authority, together with a summary of the significant financial data supporting the summary. These schedules show in detail the information as to past years' actual revenues, expenditures and other data used in making estimates. The third part is composed of drafts of the appropriation, revenue and borrowing measures necessary to put the budget in effect.

Budget Message:

A general discussion of the annual budget as presented in writing by the budget-making authority to the legislative body. The budget message should contain an outline of the government's experience during the past period of financial reporting and its financial status at the time of message, and recommendations regarding the financial policy for the coming period.

Budgetary Control:

The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Business-Type Activities:

One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or part by fees charged to external parties for goods or services. These activities are usually reported in Enterprise Funds.

California State Board of Equalization (BOE):

California state agency responsible for the collection and administration of the state's sales and use, alcohol, tobacco, and other taxes. In addition the BOE determines the assessed value of certain properties and oversees property tax assessment practices of county assessors.

California State Controller:

The Controller is the Chief Fiscal Officer of the state and is elected every four years. The controller is responsible to: account and disburse all state funds; determine the legality and accuracy of claims against the state; pay the state's bills; audit and process all personnel and state payroll transactions; audit various state and local government programs; administer the Unclaimed Property Law; and inform the public of financial transactions of city, county and district governments.

Capital and Related Financing Activities:

Term used in connection with cash flows reporting. Capital and related financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit.

Capital Assets:

Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period.

Capital Expenditure:

A Capital Expenditure is an outlay of funds for fixed assets, including land, buildings, machinery, equipment, construction in progress, design in progress, improvements and infrastructure with an original cost of \$5,000 or more.

Capital Improvements Plan (CIP):

A plan for capital expenditure to be incurred each year over a fixed period of years to meet capital needs arising from the long-term work program of the City. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Improvement Projects (CIP) Fund :

A fund created to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds, and trust funds).

Certificate of Deposit (CD):

A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

Capital Outlay:

A budget category which includes all equipment having a unit cost of more than \$500 and a useful life of more than one year.

Cash:

The term, used in connection with cash flow reporting, includes not only currency on hand, but also demand deposits with banks or other financial institutions. Cash also includes deposits in other kinds of accounts or cash management pools that have the general characteristics of demand deposit accounts in that the governmental enterprise may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty.

Cash Sale/Purchase:

A transaction which calls for delivery and payment of securities on the same day that the transaction is initiated.

Categorical Grant:

Grant typically allocated either to qualifying applicants according to a formula or to applicants competing for project grants through an application process. Categorical grants are the most common form of federal aid.

CAFR – City Annual Financial Report:

comprising the financial report of a state, municipal or other governmental entity that complies with the accounting requirements promulgated by the Governmental Accounting Standards Board

CJSVRMA - Central San Joaquin Valley Risk Management Authority:

Joint Powers Authority (JPA) to which the City is a member, along with 53 other Central Valley cities, for the purposed of pooling assets and sharing liability for workmen’s compensation and liability claims administration.

Collateral:

Term used in connection with deposits with financial institutions. Security pledged by a financial institution to a governmental entity for its deposit.

CDBG - Community Development Block Grant:

is a flexible program that provides communities with resources to address a wide range of unique community development needs.

Component Unit:

A legally separate organization for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading.

Consumer Price Index (CPI):

A statistical description of price levels provided by the U.S. Department of Labor. The change in this index from year to year is used to measure the cost of living and economic inflation.

Contributed Capital:

This equity is obtained from other sources (e.g., capital grants). Thus it is somewhat like “capital stock” and “paid-in-capital in excess of par” for private enterprises. Proprietary fund equity is divided into “contributed capital” and “retained earnings.”

Cost-Reimbursement Basis:

Term used in connection with internal service funds. The setting of charges so that costs are systematically recovered on a break-even basis over time.

County Assessor:

An elected official whose main duty is to set values on real property for the purpose of taxation within the county. The Assessor is responsible for the creation and maintenance of assessor parcels from final subdivisions, parcel maps, lot line adjustments, record of survey, deeds and miscellaneous documents.

County Auditor-Controller:

The chief accounting officer of the county established to provide various accounting and property tax administration services to the county and other local governments within the county. The Auditor-Controller is responsible for budget control, disbursements and receipts, financial reporting, and for audits of certain agencies within the county. Auditor-Controllers are nonpartisan elected officials serving four year terms.

County Treasurer-Tax Collector:

Administers the billing, collection, and reporting of property tax revenues and conducts Tax Defaulted Property Sales for real property tax delinquencies remaining after five years. Treasurer-Tax Collectors are nonpartisan elected officials serving four-year terms.

Credit Quality:

The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Credit Risk:

The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

Current:

A term which, applied to budgeting and accounting, designates the operation of the present fiscal period as opposed to past or future periods. It usually connotes financial resources likely to be used or converted into cash within one year.

Current Yield (Current Return):

A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Dealer:

A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his or her own account.

Debt Financing:

Issuance of bonds and other debt instruments to finance municipal improvements and services.

Debt Instrument:

Written pledge to repay debt such as bills, notes and bonds.

Debt Service:

Payment of principal and interest on long-term indebtedness.

Debt Limit:

The maximum amount of gross or net debt that is legally permitted.

Debt Service Fund:

Governmental Fund Type used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Deferred Revenues:

Resource inflows that do not yet meet the criteria for revenue recognition. Unearned amounts are always reported as deferred revenue. In governmental funds, earned amounts also are reported as deferred revenue until they are available to liquidate liabilities of the current period.

Deficit:

(1) The excess of liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period, or in the case of proprietary funds, the excess of expenses over income during an accounting period.

Defined Benefit Pension Plan:

A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time; the amount specified usually is a function of one or more factors such as age, years of service, and compensation.

Department:

An organizational unit comprised of divisions or programs. It is the basic unit of service responsible for encompassing a broad mandate of related activities.

Depreciation:

The expiration in the service life of fixed assets, other than wasting assets attributable to wear and tear, deterioration, action of the physical elements, inadequacy and obsolescence. (2) The portion of the cost of a fixed asset other than a wasting asset which is charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, is charged with a portion of such cost. Through this process, the entire cost of asset is ultimately charged off as an expense.

Development Impact Fees:

Fees placed on the development of land or conditions required for the approval of a development project such as the donation (“dedication” or “exaction”) of certain lands (or money) to specific public uses. The fees are typically justified as an offset to the future impact that development will have on existing infrastructure.

Direct Costing:

Term used in connection with the valuation of capital assets. Use of source data (e.g., invoices) to establish the historical cost of a capital asset.

DOF – Department of Finance:

Department within the city that operates as the financial entity for the city.

Documentary Transfer Tax:

Tax imposed on documents recorded in the transfer of ownership in real estate as distinguished from a Real Property Transfer Tax which may only be imposed by Charter Cities.

Duration:

A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

Earmarked Funds:

Funds that have been tagged or “earmarked” for a specific purpose.

Economic Resources Measurement Focus:

Measurement focus under which the aim of a set of financial statements is to report all inflows, outflows, and balances affecting or reflecting an entity's net assets. The economic resources measurement focus is used for proprietary and fiduciary funds, as well as for government-wide financial reporting. It also is used by business enterprises and not-for-profit organizations in the private sector.

Effectiveness:

Term used in connection with the evaluation of internal controls and performance measurement. The degree to which an entity, program, or procedure is successful in achieving its goals and objectives.

Efficiency:

Term used in connection with the evaluation of internal controls and performance measurement. The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of scarce resources. Efficiency necessarily presupposes effectiveness.

Eminent Domain:

Authority of a government agency to acquire property for public purposes (not to be confused with meaning public buildings and improvements only). Also known as condemnation.

Encumbrances:

Commitments related to unperformed contracts for goods and services.

Enforceable Obligation:

Obligations of the former Redevelopment Agency to be paid by the Successor Agency. Enforceable Obligations include: Bonds. Loans borrowed by the redevelopment agency for a lawful purpose, including money borrowed from the Low and Moderate Income Housing Fund to the extent they are legally required to be paid pursuant of a required repayment schedule. Payments required to the federal government, preexisting obligations to the State or obligations imposed by state law, or legally enforceable payments required in connection with the agencies' employees. Tax sharing payments are not Enforceable Obligations as they will be paid by the County Auditor-Controller. Judgments or settlements entered by a competent court of law or binding arbitration. Any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy. Contracts or agreements necessary for the continued administration or operation of the redevelopment agency including agreements to purchase or rent office space, equipment, supplies and pay-related expenses. Amounts borrowed from or payments owed to the Low and Moderate Income Housing Fund that had been deferred as of the effective date of Part 1.9 provided that the repayment schedule is approved by the Oversight Board. Enforceable Obligations do not include any agreements, contracts or arrangements between the community and the former Redevelopment Agency except (1) written agreements entered at the time of issuance and not later than December 31, 2010, and loan agreements within two years of creating the Redevelopment Agency or project area (Health and Safety Code 34167(d) & 3417(d)).

Enforceable Obligations Payment Schedule (EOPS):

A list of legally enforceable financial obligations of the former Redevelopment Agency. The Enforcement Obligations Payment Schedule (EOPS) must include the project name associated with the obligations; payee; short description of the nature of the work, product, service, facility, or other thing of value for which payment is to be made and the amount of payments obligated by month. Payment schedules for bonds and employee agreements may be aggregated. The Schedule had to be adopted at a public meeting of the Redevelopment Agency and posted on the Redevelopment Agency's web site. The schedule may be amended

at any public meeting. The Enforcement Obligations Payment Schedule (EOPS) had to be transmitted by mail or electronic means to the County Auditor-Controller and the Department of Finance (DOF).

Enterprise Fund:

This fund type accounts for operations that are financed and run like a private business. It enables the governing body to provide goods or services to the general public on a continuing basis through user charges.

Excise Tax:

Tax placed on a person for a voluntary act, making the tax avoidable. It includes sales and use tax, business license tax, transient occupancy tax (TOT) utility users tax, etc. Phrase “excise tax” is most commonly used to refer to a parcel tax.

Exemption:

The exclusion from the tax base of certain types of transactions or objects. For example, federally owned land is exempt from property taxes.

Expenditures:

Decreases in net financial resources. Expenditures include current operating expenses which require the current or future use of net current assets, debt service and capital outlays. It includes the measurement focus classified as other financing uses.

Fair Value:

Term used in connection with the valuation of investments. The amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Federal Deposit Insurance Corporation (FDIC):

A Federal agency that insures bank deposits, currently up to \$250,000 per deposit.

Federal Accounting Standards Advisory Board:

Authoritative standard-setting body responsible for establishing Generally Accepted Accounting Principles (GAAP) for the federal government.

Federal Funds (Fed Funds):

Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

Federal Funds Rate:

Interest rate charged by one institution lending federal funds to the other.

Federal Reserve System:

The central bank of the United States created by Congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5,700 commercial banks are members of the system.

Fee:

A charge to the consumer for the cost of providing a particular service. California government fees may not exceed the estimated reasonable cost of providing the particular service or facility for which the fee is charged, plus overhead.

Fiduciary Funds:

Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The Fiduciary Fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds and agency funds.

Final Amended Budget:

Term used in connection with budgetary reporting. The original budget adjusted by all reserves, transfers, allocations, supplementary appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year, whenever signed into law or otherwise legally authorized.

Financial Accountability:

Term used in connection with the definition of the financial reporting entity. The level of accountability that exists if a primary government appoints a voting majority of an organization's governing board and is either able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations with a separately elected governing board, a governing board appointed by another government, or jointly appointed board that is financially dependent on the primary government.

Financial Accounting Standards Board (FASB):

The authoritative accounting and reporting standard- setting body for business enterprises and not-for-profit organizations. The FASB is the direct successor of the Committee on Accounting Procedure and the Accounting Principles Board. The GASB and its predecessors have elected to apply a number of FASB's standards, as well as those of its predecessors, to state and local governments.

Financial Audits:

Audits designed to provide independent assurance of the fair presentation of financial information.

Financial Resources:

Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, investments). Financial resources also may include inventories and pre-paids (because they obviate the need to expend current available financial resources).

Finding:

Term used in conjunction with public-sector auditing. Published communication of an internal control weakness or instance of noncompliance in connection with an audit conducted in accordance with GAGAS.

Fines, Forfeitures and Penalties:

Revenues received and/or bail monies forfeited upon conviction of a misdemeanor or municipal infraction.

Fiscal Accountability:

The responsibility of governments to justify that the actions in the current period have complied with public decisions concerning the raising and spending of public moneys in the short term (usually one budgetary cycle or one year). This term is used in contrast to operational accountability.

Fiscal Funding Clause:

Term used in connection with capital leases. A clause in a lease agreement that generally provides that the lease is cancelable if the City Council or other funding authority does not appropriate the funds necessary for the government unit to fulfill its obligations under the lease agreement.

Fiscal Year:

A 12-month period to which the annual operating budget applies and at the end of which a government determines its financial position and the results of its operation. Nearly all city fiscal years begin on July 1 and end June 30 of the following year.

Five percent Criterion:

Second of two tests used to determine whether a given governmental fund or enterprise fund must be reported as a major fund in the basic financial statements. This test is applied to the combined total assets, liabilities, revenues or expenses/expenditures of all governmental and enterprise funds for which the 10 % criterion has been met.

Fixed Assets:

Assets of a long-term nature which are intended to continue to be held or used such as land, buildings, improvements other than buildings, machinery, and equipment.

Former Redevelopment Agency:

A Redevelopment Agency that has been dissolved in accordance with AB1X26.

Franchise Act of 1937:

Like the Broughton Act, restricts franchise collections to 2% of gross annual receipts, but includes a minimum fee of 2% of gross annual receipts, and includes a minimum fee of ½% of gross annual receipts for electric franchises or 1% of gross annual receipts for gas or water franchises operating within the City limits.

Franchise Fee:

A fee levied upon utilities operating within the City limits which is based upon the gross revenue of the utility.

Full Accrual:

This accounting method recognizes transactions and events as revenues/gains and expenses/losses when they occur, regardless of the timing of related cash flows. Proprietary funds rely upon this accounting method. In contrast, governmental funds rely upon “modified accrual” accounting.

Full Faith and Credit:

Pledge by issuer of general obligation to bondholders that issuer “guarantees all available funds” be used to pay bondholders should the project go into default.

Function:

A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible (e.g., public safety).

Functional Revenue:

Revenues that can be associated with and allocated to one or more expenditure function and which meet one of the following criteria: (1) the revenue is generated from direct services, such as revenue from fees or charges; (2) the revenue associated with a specific service by external requirements, such as grant conditions, bond sale agreements, or statutory or charter requirements.

Fund:

An independent fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance:

The difference between assets and liabilities reported in a Governmental Fund.

Fund Classifications:

One of three categories (Governmental, Proprietary, and Fiduciary) used to classify account fund types.

Fund Type:

One of 11 classifications into which all individual funds can be categorized. Governmental Fund Types include the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds. Proprietary Fund Types include Enterprise Funds and Internal Service Funds. Fiduciary Fund Types include Pension (and other employee benefit) Trust Funds, Investment Trust Funds, Private- Purpose Trust Funds, and Agency Funds.

General Fixed Assets:

Fixed assets used in operations accounted for in governmental funds. General Fixed Assets include all fixed assets not accounted for in proprietary funds or in trust and agency funds.

General Fund:

The General Fund is one of five Governmental Fund Types and typically serves as the chief operating fund of a government. This fund is used to account for all financial resources except those required to be accounted for in another fund.

General Law City:

A city that has not adopted a charter and is therefore bound by the State’s general laws, even with respect to municipal affairs. In contrast, charter cities have authority over “municipal affairs,” trumping state law governing the same topic.

General Obligation (GO) Bonds:

Bonds for the payment of which the full faith and credit of the issuing government are pledged.

General Revenues:

All revenues that are not required to be reported as program revenues. All taxes, even those that are levied for a specific purpose, are general revenues and should be reported by the type of tax---for example, sales tax, property tax, franchise tax, income tax. All other non-tax revenues (including interest, grants, and contributions) that do not meet the criteria to be reported as program revenues should also be reported as general revenues.

General Tax:

A tax imposed for general governmental purposes, the proceeds of which are deposited into the General Fund. A majority vote of the electorate is required to impose, extend or increase any general tax.

Generally Accepted Accounting Principles (GAAP):

The conventions, rules, and procedures that serve as the norm for the fair presentation of financial statements. The various sources of GAAP for state and local government are set forth by SAS NO. 69, The Meaning of “Present in Conformity with Generally Accepted Accounting Principles” in Independent Auditor’s Report.

Generally Accepted Government Auditing Standards (GAGAS):

Standards for the conduct and reporting of both financial and performance audits in the public sector. The General Accounting Office promulgates GAGAS through its publication Government Auditing Standards, commonly known as the Yellow Book. The basic GAGAS standards are classed into three broad categories: general standards, fieldwork standards, and reporting standards. The general standards of GAGAS establish separate fieldwork and reporting standards for financial audits and performance audits. The fieldwork standards and reporting standards used for financial audits build upon the standards of fieldwork and the standards of reporting of GAGAS.

Governmental Accounting Standards Board (GASB):

The ultimate authoritative accounting and financial reporting standard-setting body for state and local governments. GASB was established in June 1984 to replace National Council on Government Accounting (NCGA).

Governmental Activities:

Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.

Governmental Funds:

Funds generally used to account for tax-supported activities. There are five different types of governmental funds: the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds.

Grants:

Contributions of cash or other assets from another governmental agency to be used or expended for a specific purpose, activity or facility.

Homeowner's Property Tax Relief:

Revenue from the state to offset city loss of property tax for state-imposed \$7,000 per dwelling homeowner exemption.

IT – Information Technology:

the study or use of systems (especially computers and telecommunications) for storing, retrieving, and sending information.

Improvement:

An addition made to, or change made in, a capital asset, other than maintenance, to prolong its life or to increase its capacity. The cost of the addition or change is added to the book value of the asset.

Improvement Bond Act of 1915:

State law which allows cities, counties, and "public" districts to issue assessment bonds and bond anticipation notes. The Improvement Bond Act of 1915 Act does not authorize assessments.

Improvements Other than Buildings:

A fixed asset account which reflects acquisition value of permanent improvements other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges.

Indebtedness Obligation:

Under Health and Safety Code Section 3417(e), Indebtedness Obligation means bonds, notes, certificates of participation (COP), or other evidence of indebtedness issued or delivered by the (former) Redevelopment Agency, or by a joint exercise of powers authority to third-party investors or bondholders to finance redevelopment Projects.

Independent Auditor:

Auditors who are independent, both in fact and appearance, of the entities they audit. Both GAAS and GAGAS set specific criteria that must be met for an auditor to be considered to be independent.

Indirect Expenses:

Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

Infrastructure:

Long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems.

Interfund Transfers:

Flows of assets (such as cash or goods) between funds and blended component units of the City of Lindsay without equivalent flows of assets in return and without a requirement for repayment. (Transfer Out – Transfer In)

Internal Control Framework:

An integrated set of policies and procedures designed to assist management to achieve its goals and objectives. To be truly comprehensive, a government’s internal control framework must (a) provide a favorable control environment, (b) provide for the continuing assessment of risk, (c) must provide for the design, implementation, and maintenance of effective control- related policies and procedures, (d) must provide for the effective communication of information, and (e) must provide for the on-going monitoring of the effectiveness of control-related policies and procedures as well as the resolution of potential problems identified by controls.

Internal Service Funds:

Proprietary Fund Type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

Inventory:

A detailed list showing quantities, descriptions and values of property, and, frequently, units of measure and unit prices.

Investments:

Securities and real estate held for the production of revenues in the form of interest, dividends, rentals or lease payments. The term does not include fixed assets used in governmental operations.

Investment Activities:

Term used in connection with cash flows reporting. Investing activities include making and collecting loans (except program loans) and acquiring and disposing of debt or equity instruments.

Investment Earnings:

Revenue earned from the investment of idle public funds.

Investment Policy:

A concise and clear statement of the objectives and parameters by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

Joint Powers Authority (JPA):

The Joint Exercise of Powers Act authorizes local public agencies to exercise common powers and to form joint powers authorities (“JPA”) for the purpose of jointly receiving or providing specific services. Example: CSJVRMA for Work Comp & Liability.

LAIF (Local Agency Investment Fund):

A special fund in the State Treasury which local agencies may use to deposit funds for investment. State law prohibits LAIF from impounding any depositor’s funds and prohibits the fund from declaring bankruptcy. The LAIF fund is highly liquid in addition to being considered one of the most conservative of all investments. State statutes define and authorize the permissible investments of the fund.

Land:

A fixed asset account which reflects the cost of land owned by the City of Lindsay or the Successor Agency for the former Lindsay Redevelopment Agency.

Landscaping and Light Act of 1972:

The 1972 Act lets cities, counties and special districts levy assessments for land purchase and the construction, operation, and maintenance of parks, landscaping, lighting, traffic signals and graffiti abatement.

Landscape and Lighting Assessment District (LLAD):

An area of the City established in accordance with State law where residents pay an annual assessment for a service which specifically benefits them. This area of the law is much broader in defining services eligible for funding than that portion of the law relating to Benefit Assessment Districts (BAD). As such, a broader range of services are funded by Landscaping and Lighting Assessment Districts including park maintenance, street lighting and graffiti removal.

Lapse Period:

A specified time at the beginning of a given budget period during which encumbrances outstanding at the end of the prior budget period may be liquidated using the prior year’s budgetary authority. Many governments avoid the use of a lapse period by automatically appropriating as part of each new budget an amount sufficient to cover encumbrances outstanding at the end of the prior budget period.

Levy:

(Verb) To impose taxes, special assessments or service charges for the support of governmental activities; (noun) the total amount of taxes, and/or special assessments and/or service charges imposed by a governmental agency.

Licenses and Permits:

Charge designated to reimburse City for costs of regulating activities being licensed, such as licensing of animals, bicycles, yard sales, etc.

Lien:

A claim on assets, especially property, for the payment of taxes or utility service charges.

Limited Obligation Bonds:

Similar to general obligation bonds except that security for the issuance is limited exactly to the revenues pledged in the bond statement and not to the full faith and credit of the City.

Liquidity:

A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be sold or purchased at those quotes.

Local Government Investment Pool:

An investment by local governments in which their money is pooled as a method for managing local funds.

LUSD – Lindsay Unified School District:

There are a number of joint-use agreements between the school district and the city that provides for facility sharing which significantly reduces the cost for both parties.

Machinery and Equipment:

Tangible property of a more or less permanent nature, other than land or buildings, and improvements thereon. Examples are machinery, tools, trucks, automobiles, furniture, and furnishings.

Maintenance of Effort (MOE):

A requirement, often as a condition of an intergovernmental subvention or supplemental tax, to maintain a level of spending at a certain level. Maintenance of Effort (MOE) requirements are intended to prevent or limit the use of the additional revenues to supplant existing revenues such that the new revenues result in an increase in the level of program spending and services.

Major Fund:

A governmental fund or enterprise fund reported as a separate column in the basic fund financial statements. The General Fund is always a major fund. Otherwise, major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10 % of corresponding totals for all governmental or enterprise funds and at least five percent of the aggregate amount for all governmental and enterprise funds for the same item. Any other government or enterprise fund may be reported as a major fund if the government's officials believe that fund is particularly important to financial statement users.

Major Program:

Term used in the context of Single Audits. As part of the Single Audit, the independent auditor must gain an understanding of internal controls over compliance for each major federal award program and then test those controls. In addition, the independent auditor must render an opinion on whether the government complied with laws, regulations, and provisions of controls or grant agreements that could have a direct and material effect on each federal award program.

Market-Based Pricing:

Recent trend in pricing public services which uses the marketplace to regulate individual consumer behaviors consistent with overall societal goals by including the true cost of the service on society.

Market Risk:

The risk that the value of a security will rise or decline as a result of changes in market conditions.

Market Value:

(1) What a willing seller could reasonably expect to receive if he or she were to sell the property on the open market to a willing buyer; (2) current market price of a security.

Marks-Roos Bonds:

Bonds authorized by the Marks-Roos Local Bond Pooling Act of 1985 which provide local agencies with flexible financing powers through participation in joint powers authorities.

Matching Requirement:

A requirement that a grant recipient contribute resources to a program that equals or exceed a predetermined percentage of amounts provided by the grantor.

Material Weakness:

A reportable condition (internal control weakness) of such magnitude that it could potentially result in material misstatement of financial statements.

Materiality:

The magnitude of an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would have been changed or influenced by the omission or misstatement. The objective of accountability in governmental financial reporting adds another perspective to materiality. Specifically, accountability requires materiality to be judged not only in a quantitative manner but also in a qualitative manner. That is, accountability involves such issues as legal and contractual compliance that may not have a “material” effect on the entity’s reported operating results and financial position, but that would influence or change the judgment of a reasonable person about how the government has conducted its affairs during the period.

Maturity:

The date upon which the principal or stated value of an investment becomes due and payable.

Measure R (2006):

½ cent sales tax passed by Tulare County residents to address major transportation needs within the County; local jurisdictions receive a monthly discretionary portion based on gas taxes collected within their boundaries; other major transportation improvement projects may be submitted to the Tulare County Association of Governments (TCAG), the governing body, for funding consideration.

Measurement Focus:

The objective of a measurement, that is, what is being expressed in reporting an entity’s financial performance and position. A particular measurement focus is accomplished by considering not only which resources, but also when the effects of transactions or events involving those resources are recognized (the basis of accounting). The measurement focus of government-wide financial statements, Proprietary Fund financial statements, and Fiduciary Fund financial statements is economic resources. The measurement focus of Governmental Fund financial statements is current financial resources.

Mello-Roos Bonds:

Bonds allowing cities, counties, school districts and special districts to finance certain public capital facilities and services, especially in developing areas and areas undergoing rehabilitation. Property owners in the Mello-Roos district pay an annual special tax which is included on the property tax bill.

Mello-Roos Community Facilities Tax:

Special non ad valorem tax imposed to finance public capital facilities and services in connection with new development.

MOU – Memorandum of Understanding:

is the first stage in the formation of a formal contract.

Modified Accrual Basis:

The accrual basis of accounting adapted to the Governmental Fund Type- Spending Measurement Focus. Under it, revenues are recognized when they become both “measurable” and “available to finance expenditures of the current period.” Expenditures are recognized when the related fund liability is incurred except for the following: (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay and other employee benefit amounts which need to be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earnings on special assessment levies; and (5) principal and interest on long-term debts which are generally recognized when due. All government funds and expendable trust funds are accounted for using the modified accrual basis of accounting.

Money Market Investment:

A short-term, highly liquid debt instrument, including commercial paper, bankers acceptances, and U.S. Treasury and agency obligations. Asset-backed securities, derivatives, and structured notes are not included in this term.

Motor Vehicle License Fee (VLF):

The motor vehicle license fee (VLF) is a fee for the privilege of operating a vehicle on public streets. The VLF is levied annually at 2% of the market value of motor vehicles and is imposed by the state “in lieu” of local property taxes. VLF is also called Motor Vehicle In- Lieu Tax.

Municipal Facilities Development Impact Fee:

A development impact fee levied upon new development to offset the impact that new development has upon specific City facilities and services.

National Association of Securities Dealers (NASD):

A self-regulatory organization (SRO) of brokers and dealers in the over-the-counter securities business. Its regulatory mandate includes authority over firms that distribute mutual fund shares as well as other securities.

National Council on Governmental Accounting (NCGA):

The immediate predecessor of the GASB as the authoritative accounting and financial reporting standard-setting body for state and local governments. The NCGA issued seven statements and 11 interpretations prior to its dissolution in June 1984. These statements and interpretations remain in effect unless superseded by a subsequent GASB pronouncement.

Negotiated Sale:

What the price to be paid for land and improvements is mutually agreed upon by buyer and seller.

Net Asset Value:

The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which include securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio.

Net Income:

Proprietary fund excess of operating revenues, non-operating revenues, operating transfers- in over operating expenses, non-operating expenses, and operating transfers-out.

Nominal Yield:

The stated rate of interest that a bond pays its current owner, based on per value of the security. It is also known as the "coupon", "coupon rate", or "interest rate."

Non-Operating Revenues:

Proprietary Fund revenues which are directly related to the funds primary service activities. They consist primarily of user charges for services.

Number of Funds Principle:

The principle that only the minimum number of funds consistent with legal and operating requirements should be established, since unnecessary funds result in inflexibility, undue complexity, and inefficient financial administration.

Offer:

An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask Price."

Operating Activities:

Term used in connection with cash flows reporting. Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, non-capital financing, or investing activities.

Operating Income:

The excess of proprietary fund operating revenues over operating expenses.

Operational Accountability:

Governments' responsibility to report the extent to which they have met their operating objectives efficiently and effectively, using all resources available for this purpose, and whether they can continue to meet their objectives for the foreseeable future.

Original Budget:

The first complete appropriated budget. The original budget may be adjusted by reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes before the beginning of the fiscal year. The original budget should also include actual appropriation amounts automatically carried over from prior years by law. For example, a legal provision may require the automatic rolling forward of appropriations to cover prior-year encumbrances.

Ordinance:

A formal legislative enactment by the governing board of a municipality. If it is not in conflict with any higher form of law, such as a statute or a constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is

the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions which must be by ordinance and those which may be by resolution. Revenue raising measures such as the imposition of taxes, special assessments, and service charges universally require ordinances.

Other Financing Source:

An increase in current financial resources that is reported separately from revenues to avoid distorting revenue trends. The use of the other financing sources category is limited to items so classified by GAAP.

Other Financing Use:

A decrease in current financial resources that is reported separately from expenditures to avoid distorting expenditure trends. The use of the other financing uses category is limited to items so classified by GAAP.

Outcome Measures:

Term used in connection with service efforts and accomplishments reporting. Indicators that measure accomplishments or results that occur (at least partially) because of services provided. Results also include measure of public perceptions of outcomes.

Output Measures:

Term used in connection with service efforts and accomplishments reporting. Indicators that measure the quantity of services provided. Output measures include both measures of the quantity of service provided and measures of the quantity of a service provided that meets a certain quality requirement.

Parcel Tax:

Special non ad valorem tax on parcels of property generally based on either a flat per-parcel rate or a variable rate depending on the size, use and/or number of units on the parcel.

Pass Through Agreements:

Agreements entered into by the former redevelopment agency (RDA) whereby some or all of the tax increment originating from a particular taxing agency is refunded.

Pension Plan:

An arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits, including refunds of member contributions, to any of the plan members or beneficiaries, as defined in the terms of the plan.

Pension Trend Data:

Actuarially based data over time concerning the funding progress of a defined benefit pension plan and employer's actual and annual required contributions to the plan.

Performance Audit:

Auditing designed to evaluate the effectiveness or efficiency of an organization, program, or activity.

Performance Measurement:

Commonly used term for service efforts and accomplishments reporting.

Portfolio:

Collection of investment securities held by the City of Lindsay.

Positive Yield Curve:

A chart formation that illustrates short-term securities having lower yields than long-term securities.

Possessory Interest:

Taxable private ownership of interest in tax-exempt public property.

Primary Government:

Term used in connection with defining the financial reporting entity. A state government or general purpose local government such as the City of Lindsay is a primary government.

Prime Rate:

A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

Principal:

The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Private-Purpose Trust Funds:

A Fiduciary Trust Fund Type used to report all trust arrangements, other than those properly reported in Pension Trust Funds or Investment Trust Funds, under which principal and income benefit individuals, private organizations, or other governments.

Program:

Group activities, operations or organizational units directed to attaining specific purposes or objectives.

Project Area:

The area which is designated in the redevelopment plan for redevelopment and revitalization.

Property Related Fee:

A levy imposed on a parcel or upon a person as an incident of property ownership for property-related service.

Property Tax:

An ad valorem tax imposed on real property (land and permanently attached improvements) and tangible personal property (movable property).

Property Tax In Lieu of Vehicle License Fee (VLF):

Property tax shares and revenues allocated to cities and counties beginning in FY2004-2005 as compensation for Vehicle License Fee (VLF) revenues previously allocated to cities and counties by the state.

Proposition 1A (2004):

Voter approved state constitutional amendment protecting most major city, county and special district revenues from reduction or shifting by the State Legislature.

Proposition 1A (2006):

Voter approved Constitutional amendment protecting the local allocation of state transportation sales tax revenues under Proposition 42 from reduction or shifting by the State Legislature.

Proposition 4 (1979):

Also called the Gann Initiative. This initiative is now Article XIII B of the State Constitution, was drafted to be a companion measure to Proposition 13, Article XIII A of the Constitution. Article XIII B limits growth in government spending to changes in population and inflation.

Proposition 8 (1978):

An amendment to Proposition 13, passed in November 1978 to allow County Assessors to recognize declines in value for property tax purposes. Revenue and Taxation Code Section 51 requires the Assessor to annually enroll either a property’s Proposition 13 base year value factored for inflation, or its market value as of January 1st, whichever is less.

Proposition 13 (1978):

Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the maximum annual **increase of any ad valorem tax on real property to 1% of the full cash value of such property.**

Proposition 42 (2002):

Voter approved measure that directs the State Legislature to allocate revenues derived from the taxable sales of gasoline to certain transportation programs including cities and counties.

Proposition 98 (1990):

This measure establishes a minimum level of funding for public schools and community colleges and provides that any state revenues in excess of the appropriations limit be spent on schools.

Proposition 111 (1994):

Voter approved measure that increased the state Motor Vehicle Tax by \$0.09 per gallon and made certain adjustments to the spending limits under Proposition 4 (1979).

Proposition 172 (1993):

A 1993 measure which places a one-half cent sales tax for local public safety in the Constitution effective January 1, 1994. The tax is imposed by the state and distributed to cities and counties.

Proposition 218 (1996):

A voter approved state Constitutional amendment, self-titled “Right to Vote on Taxes Act” expanded restrictions on local government revenue-raising, allowing voters to repeal or reduce taxes, assessments, fees, and charges through the initiative process; reiterating the requirement for voter approval for both “special taxes” and “general taxes,” and imposing procedural and substantive limitations on assessments of real property and on certain types of fees.

Proprietary Funds:

Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of Proprietary Funds: Enterprise Funds and Internal Service Funds.

Prudent Person Rule:

An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called—“legal list”. In other states, the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

Principal:

“Face or “par value” of an instrument. It does not include accrued interest.

Rate of Return:

The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

Real Property:

Land and permanently attached improvements.

Redevelopment:

Planning, development, re-planning, redesign, clearance, reconstruction, or rehabilitation of all or part of a project area.

RDA - Redevelopment Agency:

The former legislative body of the City of Lindsay designated to act on behalf of the City to direct the redevelopment of designated areas of the City of Lindsay in order to remove urban blight and enhance economic development.

Recognized Obligation:

Under AB1X 26, a Recognized Obligation is an obligation listed on the Recognized Obligation Payment Schedule.

Recognized Obligation Payments Schedule (ROPS):

The Recognized Obligation Payment Schedule (ROPS) is the document that sets forth the minimum payment amounts and due dates of payments required by Enforceable Obligations for each six-month period. This Recognized Obligation Payment Schedule (ROPS) must be approved by the Oversight Board. Each January 16 and June 1, the County Auditor-Controller allocates revenue from the Redevelopment Property Tax Trust Fund (RPTTF) back to each Successor Agency for payments listed on the Recognized Obligations Payment Schedule (ROPS).

Redevelopment Obligation Retirement Fund:

Accounting Fund created by the Successor Agency to the dissolved Redevelopment Agency that contains all of the assets of the former Redevelopment Agency.

Redevelopment Property Tax Trust Fund (RPTTF):

The Dissolution Act requires the County Auditor- Controller to allocate moneys in the Redevelopment Agency Property Tax Fund (RPTTF) for each Redevelopment Agency to (1) pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former Redevelopment Agency not been dissolved, (2) to enable the Successor Agency to pay enforceable obligations for the former Redevelopment Agency, including bonds, (3) to pay for administrative costs under the administrative budget approved by the Oversight Board and (4) pay schools and other taxing entities any remaining fund balance.

Rehabilitation:

To improve, alter, modernize or modify an existing structure to make it safe, sanitary, and decent and/or bring it up to building code standards.

Reimbursement Grant:

A grant for which a potential recipient must first incur qualifying expenditures to be eligible. Reimbursement grants are also referred to as “expenditure-driven grants.”

Reimbursement for State Mandated Costs:

Article XIII B, Section 6 of the California Constitution which requires the state to reimburse local agencies for the cost of state-imposed programs. Process is commonly called “SB 90” after its original 1972 legislation.

Regulatory Fee:

A charge imposed on a regulated action to pay for the cost of public programs or facilities necessary to regulate a business or other activity or mitigate the impacts of the fee payer on the community. A regulatory fee does not include a charge on a property or a property owner solely due to property ownership.

Reliability:

The principle that financial information should be verifiable, free from bias, and faithfully represent what it purports to represent.

Rents:

Revenues received through the rental of public properties to private parties such as convention space, sports fields, Sweet Brier Plaza, and library facilities.

Reserved Fund Balance:

The portion of a Governmental Fund's net assets that is not available for appropriation.

Resolution:

A special or temporary order of the legislative body requiring less formality than an ordinance.

Restricted Assets:

Assets whose use is subject to constraints that are either (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Restricted Net Assets:

A component of net assets calculated by reducing the carrying value of restricted assets by the amount of any related debt outstanding.

Retained Earnings:

Equity resulting from provision of goods and services. Proprietary fund equity is divided into "contributed capital" and "retained earnings."

Revenue Bonds:

Bonds whereby the principal and interest are payable exclusively from the earnings of an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund's property.

Revenues:

Increases in governmental fund type net current assets from other than expenditures refunds and residual equity transfers. Under NCGA Statement 1, general long-term debt proceeds and operating transfers-in are classified as "other financing sources" rather than revenues. Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA 1, operating transfers-in are classified separately from revenues.

Safekeeping:

A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank's vaults for protection.

Sales Tax:

A tax imposed on the total retail price of any tangible personal property.

Secured Property:

As the property tax is guaranteed by placing a lien on the real property, secured property is that real property in which the value of the lien on the real property and personal property located thereon is sufficient to assure payment **of the tax.**

Secured Roll:

That property tax list containing all assessed property secured by land subject to local taxation.

Securities:

Investment instruments such as bonds, stocks and other instruments of indebtedness or equity.

Serial Bond:

A bond issue, usually of a municipality, with various maturity dates scheduled at regular intervals until the entire issue is retired.

Service Charges:

Charges imposed to support services to individuals or to cover the cost of providing such services. The fees charged are limited to the cost of providing the service or regulation required (plus overhead).

Short-Term Financing Methods:

Techniques used for many purposes, such as meeting anticipated cash flow deficits, interim financing of a project, and project implementation. Using these techniques involves issuance of short-term notes. Voter approval is not required.

Sinking Fund:

Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

Single Audit:

An audit performed in accordance with the Single Audit Act of 1984 (as amended) and the Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The Single Audit Act allows or requires governments (depending on the amount of federal assistance received) to have one audit performed to meet the needs of all federal grantor agencies. The Single Audit Act was amended in 1996.

Special Assessment:

A compulsory levy made against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

Special Assessment District (SAD):

A geographic area established by notice of the City Council and with public approval for the purpose of making capital improvements such as the construction of streets or sidewalks, or to accomplish some other public good through the financial participation and assessment of property owners within the area. The former Lindsay Improvement District (LID) fell in this category.

Special Revenue Fund:

A fund used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or for major capital projects) that are legally restricted to expenditures for specified purposes. Under NCGA Statement 1, the use of Special Revenue Funds is required only when legally mandated.

Special Tax:

A tax that is collected and earmarked for a special purpose and deposited into a separate account. A two-thirds vote of the electorate is required to impose, extend or increase any special tax.

Standby Charge:

A compulsory charge levied upon real property to defray in whole or in part the expense of providing operating or maintaining public improvements. The charge is “exacted for the benefit which accrues to property by virtue of having water [or other public improvements] available to it, even though the water might not be used at the present time.” Proposition 218 classifies standby charges as “assessments” which must be imposed in compliance with Section 4.25 of Article XIII B of the State Constitution.

Street Lighting Act of 1919:

Act authorizing cities to fund the maintenance and operation of street lights.

Successor Agencies:

Successor Agencies assumed all obligations, books, assets, properties, contracts and leases of the former Redevelopment Agency on February 1, 2012. Except for the provisions of the Community Redevelopment Law (CRL) that are repealed, restricted or limited by AB1X 26 (the Dissolution Act), all authority, rights, powers, duties and obligations of the former Redevelopment Agencies are vested in the Successor Agencies.

Subventions:

Subsidy or financial support received from county, state or federal government. The state and county currently levy certain taxes that are “subvened” to cities, including motor vehicle license fees, state mandated costs and motor vehicle fuel tax, and Supplemental Law Enforcement Services Fund (SLESF).

Supplemental Property Tax:

In the event a property changes ownership, the county collects a supplemental property tax assessment in the current tax year by determining a supplemental value. In future tax periods, the property carries the full cash value.

Swap:

Trading one asset for another.

Tangible Personal Property:

Movable property.

Tax Allocation Bond:

A bond or financial obligation issued by the agency in order to generate funds to implement the redevelopment plan. The bond is repaid with tax increment flowing to the agency as a result of the agency’s revitalization of the project area.

Taxes:

Compulsory charges levied by a government for the purpose of financing services performed for the common benefit. This term does not include specific charges made against a particular person or property for current or permanent benefits such as special assessments. Neither does the term include charges for services rendered on those paying such charges as, for example, sewer service charges.

TCAG – Tulare County Association of Governments:

A JPA of Tulare County member cities and the Tulare County Board of Supervisors, which serves as the Tulare County Transportation Authority, to oversee projects using Measure R funds and to act as the oversight and pass-thru agent for Local Transportation funds generated at the state level.

Tax-Anticipation Notes:

Short-term, interest-bearing note issued by a government in anticipation of tax revenues to be received at a later date. The note is retired from the tax revenues to which it is related.

Tax Base:

The objects or transactions to which a tax is applied (e.g., parcels of property, retail sales, etc.). State law or local ordinances define the tax base and the objects or transactions exempted from taxation.

Tax Increment:

The increase in property taxes within the redevelopment project area that result from increases in the project area assessed value that exceeds the base year assessed value.

Tax-Increment Financing:

Financing secured by the anticipated incremental increase in tax revenues, resulting from the redevelopment of an **area**.

Tax Rate:

The amount of tax applied to the tax base. The rate may be flat, incremental or a percentage of the tax base, or any other reasonable method.

Teeter Plan:

Enacted in 1949, an alternative method for allocating delinquent property tax revenues, authorized by Revenue and Taxation Code Section 4701, in which the County Auditor allocates property tax revenues based on the total amount of property taxes billed, but not yet collected. The county government then collects and keeps the delinquency, penalty and interest payments.

Timeliness:

The principle that financial statements must be issued soon enough after the reported events to affect decisions.

Total Return:

The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends Paid) + (Capital Gains) = Total Return.

Transactions and Use Tax:

Also known as an “add-on local sales tax,” a tax imposed on the total retail price of any tangible personal property and the use or storage of such property when sales tax is not paid.

Transient Occupancy Tax (TOT):

Tax levied by cities on persons staying 30 days or less in a room(s) in a hotel, inn, motel, tourist home, non-membership campground or other lodging facility. Also called “Transient Lodging Tax” or “Hotel Tax.” The TOT rate for the City is currently 8%.

Treasury Bills (T-Bills):

A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued to mature in three months, six months, or one year.

Treasury Bond:

Long-term U.S. Treasury securities having initial maturities of more than ten years. Treasury Notes: Intermediate-term coupon bearing U.S. Treasury securities having initial maturities from one year to ten years.

Triple Flip:

A mechanism used to repay state fiscal recovery bonds pursuant to Proposition 57 of 2004. Under the triple flip, the local sales and use tax rate is reduced from 1% to 0.75% with the 0.25% diverted to repay state fiscal recovery bonds. Cities and counties are reimbursed for the lost revenue from a shift of property tax revenue.

Understandability:

The principle that information in financial reports should be expressed as simply as possible.

Undesignated Unreserved Fund Balance:

Available expendable financial resources in a Governmental Fund that are not the object of tentative management plans (i.e., designations).

Unearned Revenue:

A type of deferred revenue account used in connection with resources that have not yet been earned.

Unfunded Actuarial Accrued Liability:

The excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, the excess of actuarial value of assets over the actuarial accrued liability, or the funding excess.

Unqualified Opinion:

An opinion rendered without reservation by the independent auditor that financial statements are fairly presented.

Unrealized Revenues:

Term used in connection with budgeting. The difference between estimated revenues and actual revenues.

Unrestricted Net Assets:

That portion of net assets that is neither restricted nor invested in capital assets (net of related debt).

Unsecured Property:

As the property tax is guaranteed by placing a lien on the real property, unsecured property is that real property in which the value of the lien is not sufficient to assure payment of the property tax.

Use Tax:

A tax imposed on the use or storage of tangible personal property when sales tax is not paid.

User Fee:

Fees charged for the use of a public service or program such as for recreation programs or public document retrieval. User fees for property-related services are referred to as property-related fees.

Utility Connection Fee:

Utility connection fees or capacity fees are imposed on the basis of a voluntary decision to connect to a utility system or to acquire the right to use additional capacity.

Utility User’s Tax (UUT):

A tax imposed by the city on water, sewer, trash, electricity, gas, and cable to generate general fund revenues used primarily to fund the public safety department. The City of Lindsay’s UUT rate is 6%.

Vehicle License Fee—Property Tax Swap:

The trade of most city and county vehicle license fee (VLF) revenue for additional property tax share and revenue.

Volatility:

A degree of fluctuation in the price and valuation of securities.

Voter Approved Property Tax for Indebtedness:

Includes ad valorem property taxes levied in addition to the 1% rate for voter approved debt, approved prior to July 1, 1978 or after July 1, 1986.

Yield:

The total amount of revenue a government expects to receive from a tax, determined by multiplying the tax rate by the tax base. Also, the annual rate of return on an investment, expressed as a percentage of the investment.



STAFF REPORT

TO: Lindsay City Council
FROM: Neyba J. Amezcua, Director of City Services & Planning
Salvador Guzman, Director of Finance
DEPARTMENT: City Services and Planning, and Finance
ITEM NO.: 12.1
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Discussion Regarding Awarding the Construction Contract for the Olive Bowl/Kaku Park Expansion Revision No. 1 Project and Financial Update.

BACKGROUND | ANALYSIS

Olive Bowl Park and Kaku Park is located in the Southwest side of Lindsay. This project was identified as a priority back in 2019 due to the severe need of upgrades and disrepair. Additionally, Lindsay's growing population has put a strain on the existing parks system. The area around the project site has seen the construction of over 500 new housing units and expanding the existing park could ensure park access to this growing population. Additionally, the City has limited availability of baseball and softball facilities despite a growing interest in the sport. With the overall growth in population, the need to renovate and expand baseball and softball facilities has also increased.

The funding of this project has been a complex process due to its size and the volatility of the economy associated with the COVID-19 pandemic. Below is a summary of the phases this project has undergone.

- ✚ Community Engagement: February to May 2019
- ✚ State Parks Application Submittal: May 2019
- ✚ **State Parks Grant Award: February 2020 in the form of a \$3,670,437 Grant**
- ✚ Landscape Architect RFP Release: October 2020
- ✚ Landscape Architect RFP Award: January 2021 Awarded Contract to MIG, Inc
- ✚ 30% Plans and Opinion of Probable Cost Submittal received on June 16, 2021, for \$6,151,793.54
- ✚ Clean California Application Submittal: January 2022 Cycle 1 Released
- ✚ **Clean California Grant Award: May 2022 in the amount of a \$4,650,920 Grant**
- ✚ Notice to Proceed for Clean California: August 2022
- ✚ Release of the 1st Request for Bids by the City: March 2023
- ✚ Request for 1st Bid Received: April 2023 – 2 bids received
- ✚ 1st Bids Rejected by City Council: April 2023
- ✚ Plan Modifications by MIG, Inc. + Communication with Caltrans: June 2023 through September 2023
- ✚ 2nd Release of the Request for Bids: September 2023

🚩 2nd Bid Proposals Received: November 2, 2023

Per the City’s Procurement Policy, this RFP followed the formal bidding procedures for the 2nd release of the request for bids as follows:

1. Staff released the Request for Bids (RFBs) on October 4, 2023, via email to the Tulare-Kings Co. Builders Exchange (part of Golden State Builders Exchange) and published on the City website for public access on September 28, 2023.
2. The “Notice of Inviting Bids” for this RFP was published in the Porterville Recorder on September 22, 2023, Sun-Gazette on September 27, 2023.

There was a total of 1 RFP (see below Table 1) received and acknowledged by the City on November 02, 2023.

Table 1

Base Bid Schedule Amount	\$10,860,940.87
Deduct Alternate Bid Schedule	
Basketball Court in Lieu of Skatepark w/ 10’ Turf Perimeter	\$547,981.50
Turf and Irrigation in Lieu of Skatepark	\$626,041.28
Turf and Irrigation in Lieu of North End Restroom Building	\$345,983.25
Removal of Safety Net 20’ High @ Field #2 & Field #3 from Base Bid - Nothing to Replace	\$400,328.50
Turf and Irrigation in Lieu of Play Area #3 @ Ballfields	\$ 42,243.20
Turf and Irrigation in Lieu Fitness Equipment (7 Pieces Total)	\$ 8,008.00
Removal of 50’ H. Flagpole from Base Bid - Nothing to Replace	\$ 11,374.00
Reduced 6’ High Chainlink Fencing	\$ 12,566.40
Reduced (6’H x 12’W) Chainlink Gates, Double	\$ 3,960.00
Removal of 4’ High Tube Steel Fencing - Nothing to Replace	\$144,099.60
Additive Alternate Bid Schedule	
Field #2 (200’/200’/200’) Musco LED Lights, Poles and Branch Circuit Wires	\$306,046.40
Field #3 (200’/200’/200’) Musco LED Lights, Poles and Branch Circuit Wires	\$277,363.90
Walkway Lighting LED (39 Walkway Lights/Poles)	\$281,024.70
Security/Surveillance System	\$ 80,758.70
6’ Block Wall Along Residential W/ Vines	\$363,573.36
D.G. Areas Upgraded To 4” Concrete	\$179,410.40
Asphalt Areas Upgraded To 7” Concrete	\$138,304.56
10’x30’ Cantilever Shade Structure Over Bleachers at Field #1	\$ 57,975.50
10’x22’ Cantilever Shade Structure Over Bleachers at Fields #2 & #3	\$101,970.00
Play Area Rubberized Surfacing	\$171,732.60

Deduct Alternate Bid Scheduled (Pink shaded items) are options for the City Council to select to remove from the Base Bid item whereas Additive Alternate Bid Schedule are construction line items to add to the Base Bid Schedule. The City council has the discretion to add or remove per category. Staff will discuss their recommendations and seek Council direction on which items they selected to be removed or added during the presentation of this item.

City Staff is presenting the City Council with the below options to proceed with the project. City Staff recommends that the City Council carefully review and select one of the below options so that Staff may proceed appropriately.

1. **Option 1:** Proceed with Award before January 02, 2024. Staff have requested a 30-day extension to JT2 Inc dba Todd Companies. City Council to select specific bid item no. to either deduct or add to the bid schedule.
2. **Option 2:** Negotiation - Explore the possibility of negotiating terms with the bidder (valued engineering process)
3. **Option 3:** Financing Options by Salvador Guzman, Director of Finance
 - a. Loan Scenario
 - b. City Funding
4. **Option 4:** Rebid Process
5. **Option 5:** Do not award the project and notify funding sources to end Grant Contract Awards.
6. **Option 6:** Do not select any of the above options and provide direction to Staff on how to proceed.

FISCAL IMPACT

Grant Funding

Proposition 68:	\$3,670,437.00
Clean California Local Grant Program:	<u>\$4,650,920.00</u>
Total Grant Funding:	\$8,321,357.00

Expenditures

Landscape Architect Firm	\$ 414,177.00
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Available Funding \$7,907,180.00

Staff Recommended Scenario*

Base Bid Schedule Amount	\$10,860,940.87
Staff Recommended Deduct Alternate	<u>\$ 762,838.15</u> (Item No's 2, 3, 7, 8)
Staff Recommended Award Total	<u>\$10,098,102.72</u>
Staff Recommended Contingency	\$ 1,009,810.27 (10% contingency for unforeseen items)

Estimated Funding Shortage* \$3,200,732.99

**Subject to change per City Council Direction*

ATTACHMENTS

- Abstract of Bid Proposal Received

OLIVE BOWL/KAKU PARK EXPANSION REVISION NO. 1 - ABSTRACT BID OPENING: NOVEMBER 3, 2023 @ 1:00PM					JT2 Inc. dba Todd Companies License No.: 788798	
BASE BID SCHEDULE						
Item No.	Description	Quantity	Unit	Unit Price	Amount	
1	Mobilization, Demobilization and Cleanup	1	LS	\$ 675,000.00	\$ 675,000.00	
Demolition						
2	Clear And Grub Softscape	352,456	SF	\$ 0.17	\$ 59,917.52	
3	Existing Trees	33	EA	\$ 864.93	\$ 28,542.69	
4	Existing Hardscape	1	LS	\$ 10,854.80	\$ 10,854.80	
5	Existing Playground (Equipment, Footings And Surfacing)	1	LS	\$ 4,406.60	\$ 4,406.60	
6	Existing Electrical Poles	1	LS	\$ 22,590.70	\$ 22,590.70	
7	Existing Perimeter Fencing	1	LS	\$ 14,204.30	\$ 14,204.30	
8	Misc. Demo Items Needed To Construct All Improvements.	1	LS	\$ 2,200.00	\$ 2,200.00	
9	Existing Ballfields And Structures (All Fencing, Gates, Dugouts, Backstops, Bleachers, Concrete, Building, Footings Etc.)	1	LS	\$ 17,832.10	\$ 17,832.10	
Earthwork/Grading						
10	Excavation & Grading	5,000	CY	\$ 56.98	\$ 284,900.00	
11	Export	2,800	CY	\$ 25.93	\$ 72,604.00	
12	Construct Subgrade, Fine Grade And Soil Preparation For Ball Fields	165,854	SF	\$ 0.25	\$ 41,463.50	
13	Construction Staking And Surveying	1	LS	\$ 60,500.00	\$ 60,500.00	
14	Erosion and Sedimentation Control	1	LS	\$ 22,000.00	\$ 22,000.00	
15	SWPPP Preparation And Implementation	1	LS	\$ 26,400.00	\$ 26,400.00	
Site Electrical						
16	Field #1 (288' /300' /300') - LED Lighting	1	LS	\$ 326,706.60	\$ 326,706.60	
17	Walkway Lighting - LED Lights (35 Walkway Lights/Poles)	1	LS	\$ 515,929.70	\$ 515,929.70	
18	Parking Lot - LED Lights	1	LS	\$ 68,600.40	\$ 68,600.40	
19	Power For The Booster Pump And Irrigation Controllers	1	LS	\$ 25,093.20	\$ 25,093.20	
20	Switchboard C And Power For The Concession/Restroom Building	1	LS	\$ 82,291.00	\$ 82,291.00	
21	Existing Building and Other Loads to Remain	1	LS	\$ 28,743.00	\$ 28,743.00	
22	Main Switchboard MSA/MSB	1	LS	\$ 253,421.30	\$ 253,421.30	
23	Switchboard B	1	LS	\$ 126,683.70	\$ 126,683.70	
24	Primary And Secondary Service Conduits	1	LS	\$ 30,732.90	\$ 30,732.90	
25	Telephone Service Conduit	1	LS	\$ 6,008.20	\$ 6,008.20	
26	Backstop Receptacles	1	LS	\$ 24,387.00	\$ 24,387.00	
27	Electrical Demolition	1	LS	\$ 3,966.60	\$ 3,966.60	
28	SCE Underground Coordination & Installation of Conduits & Manhole (Per SCE Plans)	1	LS	\$ 62,877.10	\$ 62,877.10	
29	Fields #2 & #3 Underground Conduits and Pull Boxes	1	LS	\$ 102,687.20	\$ 102,687.20	
Site Utilities						
30	Storm Drain HDPE (4"-18")	1,345	LF	\$ 73.61	\$ 99,005.45	
31	18"x18" Drop Inlet	4	EA	\$ 8,525.00	\$ 34,100.00	
32	12"x12" Drop Inlet	4	EA	\$ 7,425.00	\$ 29,700.00	
33	Storm Drain Manhole	3	EA	\$ 12,466.67	\$ 37,400.01	
34	Sewer PVC Pipe (4")	95	LF	\$ 532.63	\$ 50,599.85	
35	Domestic Water Pipe (2")	67	LF	\$ 328.36	\$ 22,000.12	
36	Curb Inlet	1	EA	\$ 9,900.00	\$ 9,900.00	
37	Sidewalk Underdrain	6	EA	\$ 1,466.67	\$ 8,800.02	
38	Cleanout	1	EA	\$ 1,100.00	\$ 1,100.00	
Paving/Concrete						
39	Concrete Paving 4", Natural Grey, Broom Finish	64,130	SF	\$ 13.59	\$ 871,526.70	
40	Concrete Paving 7" At Vehicular Area, Natural Grey, Broom Finish	5,140	SF	\$ 22.47	\$ 115,495.80	
41	Asphalt Concrete Paving, 3" Over 6" AB	18,860	SF	\$ 8.69	\$ 163,893.40	
42	Parking Lot Signage, Striping, Wheel Stops and ADA Ramp	1	LS	\$ 3,987.50	\$ 3,987.50	
43	Stabilized Decomposed Granite	31,544	SF	\$ 2.61	\$ 82,329.84	
44	6" Concrete Curb	1,270	LF	\$ 45.64	\$ 57,962.80	
45	6" Concrete Mow Curb	232	LF	\$ 152.81	\$ 35,451.92	
46	Play Area Curb	525	LF	\$ 54.51	\$ 28,617.75	
Ballfields						
47	Foul Ball Poles, 30' High @ At Field #1	2	EA	\$ 13,447.50	\$ 26,895.00	
48	Safety Net 30' High	1,031	LF	\$ 595.31	\$ 613,764.61	
49	Safety Net 20' High @ Field #2 & Field #3 (See Deduct Alternate No.3)	715	LF	\$ 590.67	\$ 422,329.05	
50	Aluminum Spectator Bleachers (4-Row, 27' Long) @ Field #1	2	EA	\$ 9,297.75	\$ 18,595.50	
51	Aluminum Spectator Bleachers (3-Row, 21' Long)	4	EA	\$ 5,071.00	\$ 20,284.00	
52	Aluminum Spectator Bleachers (3-Row, 15' Long)	1	EA	\$ 4,735.50	\$ 4,735.50	
53	Electronic Scoreboard @ Field #1	1	EA	\$ 42,430.30	\$ 42,430.30	
54	Electronic Scoreboards @ Fields #2 & #3	2	EA	\$ 19,439.20	\$ 38,878.40	
Dugouts Amenities						
55	Bat Rack	6	EA	\$ 508.75	\$ 3,052.50	
56	Aluminum Players Bench (2'-6" Long; 3 Per Dugout)	18	EA	\$ 1,004.36	\$ 18,078.48	
Backstops, Fences And Gates						
57	Field #1 - 30' H Chainlink Backstop W/ 8' Overhang	1	EA	\$ 137,500.00	\$ 137,500.00	
58	2" X 10" Plastic Lumber @ Field #1 30' Back Stop, Fields #2 And #3 20' Backstops.	327	LF	\$ 330.00	\$ 107,910.00	
59	Fields #2 And #3 - 20' Back Stop	2	EA	\$ 111,100.00	\$ 222,200.00	
60	8' High Chainlink Fencing @ Field #1 Side Lines and Outfield	1,000	LF	\$ 74.80	\$ 74,800.00	
61	8' High Chainlink Fencing @ Field #1 Bull Pens and Dugouts	122	LF	\$ 407.00	\$ 49,654.00	
62	8' High Chainlink Fencing @ Fields #2 And #3 Side Lines and Outfield	1,277	LF	\$ 71.50	\$ 91,305.50	
63	8' High Chainlink Fencing @ Field #2 And #3 Bull Pens, Dugouts, and Batting Cage	244	LF	\$ 385.00	\$ 93,940.00	
64	(8' X 4' W) Chainlink Gates, Single	18	EA	\$ 990.00	\$ 17,820.00	
65	(8' X 8' W) Chainlink Gates, Double	4	EA	\$ 1,650.00	\$ 6,600.00	
66	(8' X 12' W) Chainlink Gates, Double	6	EA	\$ 2,200.00	\$ 13,200.00	
Site Sports Surfaces						
67	Decomposed Granite, Infield Mix @ Fields #1, #2 And #3, Bullpens And Batting Cage	47,458	SF	\$ 1.68	\$ 79,729.44	
68	Turf (Seed Ballfield)	114,124	SF	\$ 1.76	\$ 200,858.24	
69	9" Concrete Mow Curb at Fencing In Turf Areas	1,733	LF	\$ 29.39	\$ 50,932.87	
Site Amenities						
70	Drinking Fountains	2	EA	\$ 19,250.00	\$ 38,500.00	
71	Trash Receptacles	20	EA	\$ 2,035.83	\$ 40,716.60	
72	Dox Waste Station	2	EA	\$ 1,058.75	\$ 2,117.50	
73	Picnic Table ADA 8' Long	12	EA	\$ 4,610.83	\$ 55,329.96	
74	Picnic Table Standard 6' Long	15	EA	\$ 3,564.00	\$ 53,460.00	
75	Barbecue With Prep Table	9	EA	\$ 3,901.94	\$ 35,117.46	
76	Grant Funding Signage	1	LS	\$ 3,850.00	\$ 3,850.00	
77	Entry Monument	1	EA	\$ 39,451.50	\$ 39,451.50	
78	Existing Memorial Removal and Relocation	1	LS	\$ 4,235.00	\$ 4,235.00	
79	Existing Shade Shelter Removal and Relocation	1	LS	\$ 39,820.00	\$ 39,820.00	
80	Concrete Seatwall @ Ballfield	19	LF	\$ 1,787.79	\$ 33,968.01	
81	Play Area #1 @ North End	1	LS	\$ 260,808.90	\$ 260,808.90	
82	Play Area #2 @ South End	1	LS	\$ 38,184.30	\$ 38,184.30	

**OLIVE BOWL/KAKU PARK EXPANSION REVISION NO. 1 - ABSTRACT
 BID OPENING: NOVEMBER 3, 2023 @ 1:00PM**

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40	Concrete Paving 7" At Vehicular Area, Natural Grey, Broom Finish	5,140	SF	\$ 22.47	\$ 115,495.80
41	Asphalt Concrete Paving, 3" Over 6" AB	18,860	SF	\$ 8.69	\$ 163,893.40
42	Parking Lot Signage, Striping, Wheel Stops and ADA Ramp	1	LS	\$ 3,987.50	\$ 3,987.50
43	Stabilized Decomposed Granite	31,544	SF	\$ 2.61	\$ 82,329.84
44	6" Concrete Curb	1,270	LF	\$ 45.64	\$ 57,962.80
45	6" Concrete Mow Curb	232	LF	\$ 152.81	\$ 35,451.92
46	Play Area Curb	525	LF	\$ 54.51	\$ 28,617.75
Ballfields					
47	Foul Ball Poles, 30' High @ At Field #1	2	EA	\$ 13,447.50	\$ 26,895.00
48	Safety Net 30' High	1,031	LF	\$ 595.31	\$ 613,764.61
49	Safety Net 20' High @ Field #2 & Field #3 (See Deduct Alternate No.3)	715	LF	\$ 590.67	\$ 422,329.05
50	Aluminum Spectator Bleachers (4-Row, 27' Long) @ Field #1	2	EA	\$ 9,297.75	\$ 18,595.50
51	Aluminum Spectator Bleachers (3-Row, 21' Long)	4	EA	\$ 5,071.00	\$ 20,284.00
52	Aluminum Spectator Bleachers (3-Row, 15' Long)	1	EA	\$ 4,735.50	\$ 4,735.50
53	Electronic Scoreboard @ Field #1	1	EA	\$ 42,430.30	\$ 42,430.30
54	Electronic Scoreboards @ Fields #2 & #3	2	EA	\$ 19,439.20	\$ 38,878.40
Dugouts Amenities					
55	Bat Rack	6	EA	\$ 508.75	\$ 3,052.50
56	Aluminum Players Bench (7'-6" Long; 3 Per Dugout)	18	EA	\$ 1,004.36	\$ 18,078.48
Backstops, Fences And Gates					
57	Field #1 - 30' H Chainlink Backstop W/ 8' Overhang	1	EA	\$ 137,500.00	\$ 137,500.00
58	2" X 10" Plastic Lumber @ Field #1 30' Back Stop, Fields #2 And #3 20' Backstops.	327	LF	\$ 330.00	\$ 107,910.00
59	Fields #2 And #3 - 20' Back Stop	2	EA	\$ 111,100.00	\$ 222,200.00
60	8' High Chainlink Fencing @ Field #1 Side Lines and Outfield	1,000	LF	\$ 74.80	\$ 74,800.00
61	8' High Chainlink Fencing @ Field #1 Bull Pens and Dugouts	122	LF	\$ 407.00	\$ 49,654.00
62	8' High Chainlink Fencing @ Fields #2 And #3 Side Lines and Outfield	1,277	LF	\$ 71.50	\$ 91,305.50
63	8' High Chainlink Fencing @ Field #2 And #3 Bull Pens, Dugouts, and Batting Cage	244	LF	\$ 385.00	\$ 93,940.00
64	(8' H X 4' W) Chainlink Gates, Single	18	EA	\$ 990.00	\$ 17,820.00
65	(8' H X 8' W) Chainlink Gates, Double	4	EA	\$ 1,650.00	\$ 6,600.00
66	(8' H X 12' W) Chainlink Gates, Double	6	EA	\$ 2,200.00	\$ 13,200.00
Site Sports Surfaces					
67	Decomposed Granite, Infield Mix @ Fields #1, #2 And #3, Bullpens And Batting Cage	47,458	SF	\$ 1.68	\$ 79,729.44
68	Turf (Seed Ballfield)	114,124	SF	\$ 1.76	\$ 200,858.24
69	9" Concrete Mow Curb at Fencing In Turf Areas	1,733	LF	\$ 29.39	\$ 50,932.87
Site Amenities					
70	Drinking Fountains	2	EA	\$ 19,250.00	\$ 38,500.00
71	Trash Receptacles	20	EA	\$ 2,035.83	\$ 40,716.60
72	Dog Waste Station	2	EA	\$ 1,058.75	\$ 2,117.50
73	Picnic Table ADA 8' Long	12	EA	\$ 4,610.83	\$ 55,329.96
74	Picnic Table Standard 6' Long	15	EA	\$ 3,564.00	\$ 53,460.00
75	Barbecue With Prep Table	9	EA	\$ 3,901.94	\$ 35,117.46
76	Grant Funding Signage	1	LS	\$ 3,850.00	\$ 3,850.00
77	Entry Monument	1	EA	\$ 39,451.50	\$ 39,451.50
78	Existing Memorial Removal and Relocation	1	LS	\$ 4,235.00	\$ 4,235.00
79	Existing Shade Shelter Removal and Relocation	1	LS	\$ 39,820.00	\$ 39,820.00
80	Concrete Seatwall @ Ballfield	19	LF	\$ 1,787.79	\$ 33,968.01
81	Play Area #1 @ North End	1	LS	\$ 260,808.90	\$ 260,808.90
82	Play Area #2 @ South End	1	LS	\$ 38,184.30	\$ 38,184.30
83	Play Area #3 @ Ballfields (See Deduct Alternate No. 4)	1	LS	\$ 50,576.90	\$ 50,576.90
84	Play Area Engineered Wood Fiber Surfacing	8,055	SF	\$ 6.83	\$ 55,015.65
85	Bike Rack	3	EA	\$ 1,461.17	\$ 4,383.51
86	Park Bench	11	EA	\$ 2,543.50	\$ 27,978.50
87	2-Bay Trash Enclosure	1	EA	\$ 51,656.00	\$ 51,656.00
88	Collapsible Bollards	6	EA	\$ 1,358.68	\$ 8,152.08
89	Permaloc Cleanline Aluminum Edging	444	LF	\$ 18.09	\$ 8,031.96
90	Fitness Equipment (7 Pieces Total) (See Deduct Alternate No. 5)	1	LS	\$ 17,722.10	\$ 17,722.10
91	50' Flagpole (See Deduct Alternate No. 6)	1	EA	\$ 13,244.00	\$ 13,244.00
92	All Ballfield Equipment Not Listed for Fields and Bull Pens (i.e. Bases, Home Plate, Pitching Rubbers)	1	LS	\$ 12,320.00	\$ 12,320.00
Fencing					
93	6' High Chainlink Fencing (See Deduct Alternate No. 7)	1,578	LF	\$ 52.80	\$ 83,318.40
94	(6' H X 12' W) Chainlink Gates, Double (See Deduct Alternate No. 8)	5	EA	\$ 1,980.00	\$ 9,900.00
95	4' High Tube Steel Fencing (See Deduct Alternate No. 9)	690	LF	\$ 208.84	\$ 144,099.60
Planting					
96	24" Box Trees	116	EA	\$ 532.08	\$ 61,721.28
97	Soil Preparation for Planting Areas	1,294	SF	\$ 13.34	\$ 17,261.96
98	1 Gallon Shrubs	1,294	SF	\$ 3.71	\$ 4,800.74
99	Soil Preparation for Turf (Passive Areas)	55,733	SF	\$ 0.55	\$ 30,653.15
100	Turf (Seed) (Passive Areas)	55,733	SF	\$ 0.22	\$ 12,261.26
Irrigation					
101	Booster Pump	1	EA	\$ 159,536.30	\$ 159,536.30
102	Irrigation Ballfields	1	LS	\$ 56,507.00	\$ 56,507.00
103	Ballfield Infield Rotors	1	LS	\$ -	\$ -
104	Tree Irrigation (Bubblers)	116	EA	\$ 540.80	\$ 62,732.80
105	Irrigation For Turf (Passive Areas)	55,733	SF	\$ 4.43	\$ 246,897.19
106	Maintenance And Plant Establishment Period	90	WD	\$ 335.74	\$ 30,216.60
Buildings					
107	Restroom/Concession/Storage Building	1	EA	\$ 795,498.00	\$ 795,498.00
108	North End Restroom Building & Required Power (See Deduct Alternate No.2)	1	LS	\$ 351,283.90	\$ 351,283.90
Skatepark					
109	Skatepark (See Deduct Alternate No. 1A & 1B)	1	LS	\$ 638,000.00	\$ 638,000.00
110	Skatepark - LED Lighting (See Deduct Alternate No. 1A & 1B)	1	LS	\$ 153,016.60	\$ 153,016.60
111	14'x36' Cantilever Shade Shelter at Skatepark (See Deduct Alternate No.1A & 1B)	1	EA	\$ 31,982.50	\$ 31,982.50
112	Misc. Items Not Included on Bid Schedule	1	LS	\$ 67,705.00	\$ 67,705.00
Total Base Bid Schedule Amount					\$ 10,860,940.87

DEDUCT ALTERNATE BID SCHEDULE					
Item No.	Description	Quantity	Unit	Unit Price	Amount
1A	Basketball Court in Lieu of Skatepark w/ 10' Turf Perimeter	1	LS	\$ 547,981.50	\$ 547,981.50
1B	Turf and Irrigation in Lieu of Skatepark	9,056	SF	\$ 69.13	\$ 626,041.28
2	Turf and Irrigation in Lieu of North End Restroom Building	775	SF	\$ 446.43	\$ 345,983.25
3	Removal of Safety Net 20' High @ Field #2 & Field #3 from Base Bid - Nothing to Replace	715	LF	\$ 559.90	\$ 400,328.50
4	Turf and Irrigation in Lieu of Play Area #3 @ Ballfields	1,720	SF	\$ 24.56	\$ 42,243.20
5	Turf and Irrigation in Lieu Fitness Equipment (7 Pieces Total)	2,002	SF	\$ 4.00	\$ 8,008.00
6	Removal of 50' H. Flagpole from Base Bid - Nothing to Replace	1	EA	\$ 11,374.00	\$ 11,374.00
7	Reduced 6' High Chainlink Fencing	238	LF	\$ 52.80	\$ 12,566.40
8	Reduced (6' H X 12' W) Chainlink Gates, Double	2	EA	\$ 1,980.00	\$ 3,960.00
9	Removal of 4' High Tube Steel Fencing - Nothing to Replace	690	LF	\$ 208.84	\$ 144,099.60

\$ 762,838.15
Total Base Bid + Deduct Alternate Items Selected (2,3,7-9) \$ 10,098,102.72
\$ 11,107,912.99

Grant Funding Amount Parks \$ 3,670,437.00
 Grant Funding Amount - Caltrans \$ 4,650,920.00
 Grant Funding Total Amount \$ 8,321,357.00

Tentative Amount Set Aside For Consultants	Tentative Remaining Grant Amount
\$ 321,357.00	\$ 8,000,000.00



STAFF REPORT

TO: Lindsay City Council
FROM: Salvador Guzman, Director of Finance
DEPARTMENT: Finance
ITEM NO.: 13.1
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Consider Approval of Resolution No. 23-48, A Resolution of the City Council of the City of Lindsay Declaring the City Manager to Take Actions Necessary to Finance a Portion of the Costs of Improvements to Olive Bowl/Kaku Park.

As additional funds are needed to complete the Olive Bowl/Kaku Park Expansion Project, City Staff recommends that the City Council adopt Resolution No. 23-48 to hire the financing team (bond and disclosure counsel, municipal advisor, trustee, and underwriter/placement agent) as described within Resolution No. 23-48 to evaluate the feasibility of and take actions needed to proceed with a financing.

BACKGROUND | ANALYSIS

Although a majority of the costs of improvements to Olive Bowl/Kaku Park will be funded with grants and available funds, approximately \$2 – \$3 Million of project costs may need to be financed through the issuance of lease revenue bonds by the Lindsay Financing Authority. The financing process is estimated to take approximately 3 – 4 months to complete.

The attached proposed Resolution No. 23-48 does not approve the financing or the issuance of bonds nor does it commit the Council to doing so in the future. City Staff would seek Council authorization at a later date. Depending on whether the City pursues a public offering of bonds or a private placement with a financial institution, following City Council approvals, it is expected that the financing could close in late February or late March of 2024 (at which time the City would receive the funds for the payment of costs).

FISCAL IMPACT

No fiscal impact associated with this action at this time.

Should the City Council adopt Resolution No. 23-48, City Staff and consultants would begin working on the financing, but ***consultant fees would only be paid upon the closing of the financing and the proceeds thereof.*** It is important to note and acknowledge the prospective long-term financial commitments that would arise from proceeding with the financing through lease revenue bonds for the Olive Bowl/Kaku Park Expansion Project.

The following projected financial figures are preliminary and subject to change based on fluctuating interest rates, market conditions, and outcomes of the due diligence process. The following is also a conservative estimate of the annual repayment schedule, assuming an interest rate of 5.000%. This projection is illustrative and may be adjusted based on actual rates and terms obtained through the financing process:

- Total Estimated Repayment: \$4,952,084.29 (including \$1,852,084.29 in interest on a principal of \$3,100,000)

This repayment schedule is an estimate and will be refined as the City progresses through the financing process, including the evaluation of various financing options and market conditions. The City Council will be provided with updated and more definitive financial implications prior to making any decision to proceed with the bond issuance. City Staff emphasizes that the adoption of Resolution No. 23-48 is a preliminary step to explore financing options and does not commit the Council to future bond issuance. The actual decision to proceed with financing, along with the final terms and conditions of any bond issuance, will be brought before the Council for approval later, following a comprehensive review and due diligence process.

ATTACHMENTS

- Resolution No. 23-48



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

NUMBER 23-48

TITLE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY
DECLARING THE CITY MANAGER TO TAKE ACTIONS NECESSARY
TO FINANCE A PORTION OF THE COSTS OF IMPROVEMENTS TO
OLIVE BOWL/KAKU PARK

MEETING At a regularly scheduled meeting of the City of Lindsay City Council held on
December 12, 2023, at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA
93247

WHEREAS, the City of Lindsay (the “City”), a Charter City and Municipal Corporation duly organized and existing under the Constitution and laws of the State of California, desires to finance a portion of the costs of improvements to the City’s Olive Bowl/Kaku Park (the “Project”) by leasing certain real property and improvements (the “Leased Property”) to the Lindsay Financing Authority (the “Authority”) pursuant to a site lease in consideration of the payment by the Authority of an upfront rental payment which is sufficient to provide funds to finance such costs; and

WHEREAS, to raise funds for such purpose, the Authority anticipates issuing lease revenue bonds (the “Bonds”) under Article 4 of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, commencing with Section 6584 of said Code; and

WHEREAS, to provide revenues that are sufficient to enable the Authority to pay debt service on the Bonds, the Authority anticipates leasing the Leased Property back to the City under a lease agreement under which the City would agree to pay semiannual lease payments as the rental for the Leased Property; and

WHEREAS, to provide for the issuance of the Bonds, City Staff, under the direction of the City Manager and with the assistance of certain attorneys, consultants, and other third parties designated in Section 2 hereof, will proceed to evaluate the feasibility of and take actions needed to proceed with the financing of a portion of the Project through the issuance of the Bonds; and

WHEREAS, prior to and as a condition to issuance of the Bonds, the City Council and the Governing Board of the Authority must authorize the issuance of the Bonds at a future public meeting.

RESOLUTION NO. 23-48
Page 1 of 2



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

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

SECTION 1. The City Manager and their designees are hereby authorized and directed to work with the attorneys, consultants, and third parties designated in Section 2 below to take all actions necessary and appropriate to present the Bonds and related agreements to the City Council and the Governing Board of the Authority for approval at a future meeting.

SECTION 2. The City Council hereby approves and appoints Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel, Urban Futures, Inc., Inc., as Municipal Advisor, and U.S. Bank Trust Company, National Association as Trustee, each to provide such services to the City and the Authority as may be required to issue the Bonds. The City Council hereby appoints Piper Sandler & Co. to serve as Underwriter or, if it is determined that the sale of the Bonds on a private placement basis is beneficial to the City, to serve as Placement Agent, in connection with the sale of the Bonds. The City Manager and their designees are hereby authorized to enter into contracts or to sign such other documentation as is necessary or appropriate to evidence such engagements and retain such services in connection with the Bonds.

SECTION 3. All the recitals in this Resolution are true and correct and this City Council so finds, determines and represents.

SECTION 4. This Resolution shall take effect from and after its adoption.

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

MEETING DATE	December 12, 2023
MOTION	
SECOND MOTION	
AYES	
ABSENT	
ABSTAIN	
NAYS	



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

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

FRANCESCA QUINTANA
CITY CLERK

HIPOLITO A. CERROS
MAYOR



STAFF REPORT

TO: Lindsay City Council
FROM: Salvador Guzman, Director of Finance
DEPARTMENT: Finance
ITEM NO.: 13.2
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Consider the Approval of Resolution No. 23-49, A Resolution of the City Council of the City of Lindsay Adopting a Debt Management Policy.

City Staff recommends that the City Council pass and adopt Resolution No. 23-49, which adopts the attached Debt Management Policy which will help ensure that City and Financing Authority debt is issued and managed prudently.

BACKGROUND | ANALYSIS

Section 8855(i) of the California Government Code requires that each public agency (e.g., the City and the Lindsay Financing Authority) provide to California Debt and Investment Advisory Commission (CDIAC) no later than 30 days prior to the sale of any debt a report of the proposed issuance of debt by the public agency. Effective January 1, 2017, public agencies must certify on the Report of Proposed Debt Issuance that they have adopted local debt policies concerning the issuance of debt that satisfies the requirements of Section 8855(i). Under Section 8855(i), the debt policies must include (A) through (E), below.

- A. The purposes for which the debt proceeds may be used.
- B. The types of debt that may be issued.
- C. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
- D. Policy goals related to the issuer's planning goals and objectives.
- E. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the proposed debt issuance will be directed to the intended use.

In addition to the requirement set forth by Section 8855(i), it is prudent financial management for the City and Financing Authority to adopt a debt management policy that sets parameters for issuing debt, manages the City's and Financing Authority's debt portfolios, and provides guidance to decision makers. The attached Debt Management Policy has been prepared to assist the City and the Financing Authority to satisfy the requirements of Section 8855(i) as well as to include best management practices expected by the pertinent credit markets and municipal bond industry.

FISCAL IMPACT

No fiscal impact associated with this action. It should be noted that this Debt Management Policy will guide future debt issuance and management, potentially leading to cost savings, more efficient capital spending, and improved fiscal health for the City.

ATTACHMENTS

- Debt Management Policy
- Resolution No. 23-49

DEBT MANAGEMENT POLICY

This Debt Management Policy (this “Debt Policy”) of the City of Lindsay, California (the “City”) and the Lindsay Financing Authority (the “Authority” and together with the City, the “Issuers” and each an “Issuer”) was approved by the City Council of the City and the governing board of the Authority (the “Governing Board”) at a meeting held on December 12, 2023. This Debt Policy may be amended by the City Council and the Governing Board as they deem appropriate from time to time in the prudent management of their respective debt. Any approval of debt by the City Council or the Governing Board that is not consistent with this Debt Policy shall constitute a waiver of this Debt Policy.

1. Findings

This Debt Policy is intended to comply with Government Code Section 8855(i), effective on January 1, 2017, and shall govern all debt undertaken by the Issuers.

Each Issuer hereby recognizes that a fiscally prudent debt policy is required in order to:

- Maintain their sound financial position.
- Ensure they have the flexibility to respond to changes in future service priorities, revenue levels, and operating expenses.
- Protect their credit worthiness. Ensure that all debt is structured in order to protect both their respective current and future taxpayers, ratepayers and constituents.
- Ensure that the Issuer’s respective debt is consistent with their planning goals and objectives and capital improvement program or budgets, as applicable.

2. Policies

A. Purposes For Which Debt May Be Issued

(i) Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the Issuers.

(a) Long-term debt financings are appropriate when the following conditions exist:

- When the project to be financed is necessary to provide basic services.
- When the project to be financed will provide benefit to constituents over multiple years.
- When total debt does not constitute an unreasonable burden to the Issuers and their respective taxpayers and ratepayers.

- When the debt is used to refinance outstanding debt in order to produce debt service savings or to realize the benefits of a debt restructuring.

(b) Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

(c) The Issuers may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the City Council and/or the Governing Board, as applicable.
- The weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%.
- The applicable Issuer estimates that sufficient revenues will be available to service the debt through its maturity.
- The applicable Issuer determines that the issuance of the debt will comply with the applicable state and federal law.

(ii) Short-term debt. Short-term debt may be issued to provide financing for the Issuers' respective operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects; for example, the City may undertake lease-purchase financing for equipment.

(iii) Financings on Behalf of Other Entities. The Issuers may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties in order to further the respective public purposes of the Issuers. In such cases, the Issuers shall take reasonable steps to confirm the financial feasibility of the project to be financed and the financial solvency of any borrower and that the issuance of such debt is consistent with the policies set forth herein.

B. Types of Debt

For purposes of this Debt Policy, "debt" shall be interpreted broadly to mean loans, bonds, notes, certificates of participation, financing leases, or other financing obligations, but the use of such term in this Debt Policy shall be solely for convenience and shall not be interpreted to characterize any such obligation as an indebtedness or debt within the meaning of any statutory or constitutional debt limitation where the substance and terms of the obligation comport with exceptions thereto.

The following types of debt are allowable under this Debt Policy:

- general obligation bonds
- bond or grant anticipation notes

- lease revenue bonds, certificates of participation and lease-purchase transactions
- other revenue bonds and certificates of participation
- tax and revenue anticipation notes
- land-secured financings, such as special tax revenue bonds issued under the Mello-Roos Community Facilities Act of 1982, as amended, and limited obligation bonds issued under applicable assessment statutes
- conduit financings, such as financings for affordable rental housing and qualified 501(c)3 organizations
- state or federal loans, including Revolving Fund loans
- loans and lines of credit with banks and other financial institutions
- refunding bonds, notes, loans and other obligations

The Issuers may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy.

Debt shall be issued as fixed rate debt unless the applicable Issuer makes a specific determination as to why a variable rate issue would be beneficial to such Issuer in a specific circumstance.

C. Relationship of Debt to Capital Improvement Program and Budget

The Issuers are committed to long-term capital planning. The Issuers intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in their respective capital budget and the capital improvement plan, if any.

The Issuers shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The Issuers shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

The Issuers shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of their respective public purposes.

The Issuers shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

The Issuers shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from their respective general funds.

D. Policy Goals Related to Planning Goals and Objectives

The Issuers are committed to long-term financial planning, maintaining appropriate reserve levels and employing prudent practices in governance, management and budget administration. The Issuers intend to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in their respective annual operations budget, if any.

It is a policy goal of the Issuers to protect their respective taxpayers, ratepayers and constituents by utilizing conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical borrowing costs.

The Issuers will comply with applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges.

When refinancing debt, it shall be the policy goal of the Issuers to do so either for the purpose of realizing debt service savings or for the purpose of restructuring debt in a manner which is in their best financial interests. Any refinancing of debt for the purpose of realizing debt service savings shall achieve a minimum net present value debt service savings equal to or greater than 3.0% of the refunded principal amount or such lesser amount as shall be designated in the resolution adopted by the City Council or the Governing Board, as applicable, which authorizes the refunding proceedings.

E. Internal Control Procedures

When issuing debt, in addition to complying with the terms of this Debt Policy, the Issuers shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds.

The Issuers will periodically review the requirements of and will remain in compliance with the following:

- any continuing disclosure undertakings under SEC Rule 15c2-12,
- any federal tax compliance requirements, including without limitation arbitrage and rebate compliance, related to any prior bond issues, and
- their investment policies, if any, as they relate to the investment of bond proceeds.

It is the policy of the Issuers to ensure that proceeds of debt are spent only on lawful and intended uses. Whenever reasonably possible, proceeds of debt will be held by a third-party trustee and the Issuers will submit written requisitions for such proceeds. The Issuers will submit a requisition only after obtaining the signature of the City Manager of the City or the Executive Director of the Authority, as applicable. In those cases where it is not reasonably possible for the proceeds of debt to be held by a third-party trustee, the person performing the function of chief financial officer of the City or the Authority, as applicable, shall retain records of all expenditures of proceeds through the final payment date for the debt.

F. Adoption By Related Local Agency

This Debt Policy may be adopted, and shall be applicable to, any other local agency for which the City Council acts as the governing board thereof (each, a “**Local Agency**”). The adoption of this Debt Policy by the Local Agency shall be evidenced by a resolution adopted by the City Council, in its capacity as the governing board of such Local Agency, adopting this Debt Policy and specifying the officer(s) authorized to submit the requisitions, and required to retain the records, described in Section E above on behalf of such Local Agency.

DRAFT



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

NUMBER 23-49

TITLE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY ADOPTING A DEBT MANAGEMENT POLICY

MEETING At a regularly scheduled meeting of the City of Lindsay City Council held on December 12, 2023, at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA 93247

WHEREAS, pursuant to Senate Bill 1029 (“SB 1029”), which was signed by the California Governor on September 12, 2016, California public agencies that issue debt must adopt debt management policies that meet certain criteria; and

WHEREAS, in response to SB 1029 and in order to adhere to sound financial management practices, the City of Lindsay wishes to adopt and maintain a debt management policy; and

WHEREAS, there has been presented to this meeting a proposed form of a debt management policy, which is also attached hereto as Exhibit A (the “Debt Policy”).

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

- SECTION 1. The City Council hereby approves and adopts the Debt Policy presented to the meeting at which this resolution is adopted.
- SECTION 2. This resolution shall take effect from and after the date of its passage and adoption.



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	December 12, 2023
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.

FRANCESCA QUINTANA
CITY CLERK

HIPOLITO A. CERROS
MAYOR



STAFF REPORT

TO: Lindsay City Council
FROM: Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: City Manager
ITEM NO.: 13.3
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Consider Extension of Professional Services Agreement to Provide Professional Consulting & Related Services by and Between Retail Strategies LLC and the City of Lindsay.

BACKGROUND | ANALYSIS

At the November 08, 2022, regular meeting of the Lindsay City Council, the Council approved termination of the contract with Retail Strategies, LLC. As a result of the termination, Retail Strategies agreed to continue the retail requirement portion of the contract at no cost to the City (“Client”).

At the December 13, 2023, regular meeting of the Lindsay City Council, the Council approved the Second Amendment of the Professional Services Agreement to Provide Professional Consulting & Related Services by and Between Retail Strategies LLC and the City of Lindsay, thus the Consultant focused solely on retail recruitment in year two (2) of the Agreement.

The second amendment to the Agreement gives the City the option to extend the Agreement for year three (3) for retail recruitment services. If the City chooses to extend the Agreement for year three (3), the City shall pay \$40,000 to the Consultant. Additional provisions are set forth within the attached amendment for the City Council’s reference.

FISCAL IMPACT

Should the City Council choose to extend the Agreement for year three (3), the cost is \$40,000 and would be sourced from ARPA FUND.

Should the City Council not choose to extend the Agreement for year three (3), then the \$40,000 will be put towards another City project.

ATTACHMENTS

- Partnership Review
- Professional Services Agreement to Provide Consulting Services
- Second Amendment to Professional Services Agreement to Provide Professional Consulting & Related Services



Partnership

Retail Strategies is as a full-service advisory firm that works with municipalities, like Lindsay, on business recruitment through commercial real estate connections and networks.

We share a common goal to generate new retail communication that would not otherwise happen and to create market influence in the retail industry.

We have conducted outreach to multiple retail prospects ranging from: grocery, gas/convenience stores, coffee, quick serve restaurants, fast casual restaurants, sit-down restaurants, banks, credit unions, fitness concepts, clothing and footwear stores, hotels, home furnishings, general merchandise, and more. We have conducted outreach to multiple brokers, developers, and property owners in the market.

Together, we continue to collaborate, strategize, and think creatively regarding new-to-market retail and potential sites.

Process

Data & Demographic Analysis: We refresh data for Lindsay's custom trade area annually. This allows us to see the market from the same perspective as national retailers.

Boots on the Ground: We visit the market annually to update our inventory of real estate assets in Lindsay. Throughout the year we work to develop and nourish relationships with local brokers, developers, and property owners.

Trade Show Representation: We attend ICSC shows in order to build better working relationships with key industry players, gather current retailer expansion information, and promote Lindsay market opportunities.

Pleasant Persistence: Our team remains pleasantly persistent with national retail brands, and we actively promote viable sites in Lindsay. Real Estate Directors are constantly receiving sites from around the country – we put Lindsay at the front of the line.

Investment Multiplier: We act as an extension of Lindsay's on-going economic development efforts. Our goal is to multiply the results of your team by focusing specifically on retail recruitment.

Relationship Agent: Our team is actively looking for ways to leverage our deep bench of industry relationships in order to promote retail opportunities in Lindsay.

LINDSAY, CA

Brookley Valencia

205-563-2910

bvalencia@retailstrategies.com

John Mark Booser

205-495-6979

jbooser@retailstrategies.com





Retail & Property Prospects

We have conducted outreach to multiple retail prospects, brokers, tenant reps, developers, and property owners. Below are a few updates regarding retail interest:

Gas/Convenience Store: Our team connected with a gas station/convenience store concept regarding Lindsay during the 2022 ICSC Las Vegas Conference. At that time, there was no market interest, but we continued to follow-up. We then connected with their broker and introduced site opportunities. In February 2023, their broker requested a meeting with the city to discuss a site, timelines, permitting, etc., and the call was positive. In May 2023, the broker informed us that a purchase and sale agreement had been signed. The deal is continuing to progress forward, and they are working with Caltrans on access at this time.

Cellular Store: We spoke with the tenant rep and there is interest in the Lindsay market. We identified a potential site, but the site had a restriction for this type of user. We are currently working with them to help identify potential sites.

Mail & Package Store: We spoke with the Real Estate Supervisor and highlighted an available site within Lindsay. However, this retailer does not have an active franchisee expanding in the region. We have reached out to a neighboring franchisee, and we are trying to connect to discuss the market opportunity further.

Clothing Store: We met with the Senior Director of Real Estate regarding expansion plans in the Central Valley. This retailer is focused on growth in the region; however, they prefer second-generation space. We are continuing to monitor future second-generation space opportunities, and we will flag new development opportunities if applicable.

Grocery: We reached out to the broker representing this national grocer. They have looked at the market in the past, but it was turned down by committee as they are currently pursuing larger markets across the country. However, we will continue to flag site opportunities for when they are able to reconsider target markets.

Retail Center: We have been in discussions with the broker representing a retail center in Lindsay. He informed us about a vacancy in the center, and we have pushed out the site to retail prospects that would not conflict with current user restrictions.

Commercial Land: After a year of trying to identify and contact the correct point of contact for a high-potential commercial parcel, we were able to make connection with one of the property owners. After a brief introduction, they are willing to consider options for the site, and we were asked to follow-up in the coming weeks.

Please note, all names are generalized as retailers/contacts are kept confidential in public documents.

LINDSAY, CA

Brookley Valencia
 December 12, 2023 Regular Meeting of the Lindsay City Council
 205-563-2910
 bvalencia@retailstrategies.com

John Mark Booser
 205-495-6979
 jbooser@retailstrategies.com



PROFESSIONAL SERVICES AGREEMENT TO PROVIDE CONSULTING SERVICES

This Professional Services Agreement to Provide Consulting Services (this “Agreement”) sets forth the mutual understanding of (the “Client”) Lindsay, CA and Retail Strategies, LLC, an Alabama limited liability company (the “Consultant”) on this 16th day of December 2021 (the “Execution Date”), for the provision of professional consulting services as more fully set forth below.

RECITALS:

The Consultant possesses a high degree of professional skill and experience and is a unique provider of professional consulting services in retail recruitment.

The Client desires to hire the Consultant to provide professional consulting services because of its professional skill and experience.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth in this Agreement, the Client and the Consultant, intending to be legally bound, do hereby agree as follows:

1. **CONSULTING SERVICES.** The Consultant agrees to provide the following professional consulting services to the Client (the “Services”):
 - A. **Research.** The Consultant will identify the Client’s retail trade area using a blend of demographics, political boundaries, drive times and/or custom boundaries. The Consultant will perform market and retail analysis based on current industry standards at the time such reports are run. The Consultant will map retail locations and analyze opportunities given local and macro retail trends.
 - B. **In-Market Real Estate Analysis.** The Consultant will analyze existing shopping centers and retail corridors and actively reach out to local brokers and real estate owners. The Consultant will identify, evaluate and catalogue priority commercial properties for development or redevelopment based on their highest-and-best-use. The Consultant will identify priority business categories to expand locally and to recruit to the area.
 - C. **Retail Recruitment.** The Consultant will proactively recruit businesses for targeted zones through the contact of a minimum of 30 retailers, restaurants, brokers or developers. The Consultant will regularly update the Client Representative on retail recruitment efforts via email, telephone and the Consultant’s client web portal known as “Basecamp.” One market visit per calendar year is included in this agreement, additional travel outside of this agreement and requested by the Client shall be approved and paid for by the Client. The Consultant will represent the Client at International Council of Shopping Center conferences and provide updates according to the yearly conference schedule.
 - D. **Updates.** The Consultant will provide the Client Representative with updates within three business days of receipt of a request from the Client Representative (as defined in Section 4 below).

2. **TERM.** The Consultant’s engagement and provision of Services will commence upon the Execution Date as set forth above. The Consultant’s engagement and this Agreement will terminate automatically on the third anniversary of the Execution Date (the “Term”). At the end of the Term, the Client, acting by and through the Client Representative, may extend the Term at its option for successive one year periods on such terms and conditions as the Client Representative, acting for and on behalf of the Client, and the Consultant may agree upon in writing.

3. **CONSULTING FEE.**

A. **Consulting Fee.** In consideration for providing the Services, the Client agrees to pay the Consultant a consulting fee (the “Consulting Fee”) in an amount equal to \$230,000. The Consulting Fee will be paid in installments of immediately available funds as follows:

Contract Period	Payment Date	Payment Amount
Year One	Upon execution of this agreement	\$230,000

B. **Payment Default.** If the Client fails to pay any portion of the Consulting Fee on the requisite payment date, the Consultant will immediately cease all Services, including but not limited to: (1) negotiation of incentive agreements; (2) all recruiting and marketing efforts; (3) representation of the Client at trade shows; (4) booking meetings for the Client with prospective retailers; and (5) including the Client in marketing materials.

4. **CLIENT INFORMATION AND ACCESS.**

A. To the extent permitted by law, the Client will provide the Consultant with access to relevant personnel, facilities, records, reports and other information (including any information specified in the Consultant’s proposal to the Client) accessible by the Client that the Consultant may reasonably request from time-to-time during the Term. The Client acknowledges and agrees that the Consultant’s scheduled delivery of the Services is dependent upon the timely access to such personnel, facilities, records, reports and other requested information.

B. To facilitate such access and Consultant’s delivery of the Services, the Client designates the Director of Community & Economic Development (the “Client Representative”), currently TJ Morrison. The Client Representative will serve as the primary liaison between the Consultant and the Client. The Client Representative will have responsibility for regular communications between the Client and the Consultant, including providing updates in a timely manner through Basecamp. The Client Representative’s communications to the Consultant will include information regarding retail growth and development, such as actual and prospective business openings and closings, changes in economic drivers (e.g., significant increases or decreases in workforce of major employers, school enrollments, housing or healthcare services) and changes in the ownership of targeted real estate (e.g., transfers of real estate or changes in the finances of ownership). The Client Representative will also be responsible for disseminating updates relative to consultants’ activities related to scope of work to members of local stakeholder groups of the Client (e.g. City Council, Economic Development Boards, and Chamber of Commerce etc.).

- C. The Client hereby authorizes the Client Representative (i) to act on behalf of the Client in the day-to-day administration and operation of this Agreement and the arrangements it contemplates and (ii) to execute and deliver, on behalf of the Client, such notices, approvals, consents, instruments, amendments or other documents as may be necessary or desirable to facilitate or assist the Consultant with the provision of the Services.

5. **INTELLECTUAL PROPERTY.** As part of the Services, the Consultant will prepare periodic and final reports including demographic and other research reports that will become the property of the Client upon delivery from the Consultant. Any other reports, memoranda, electronic mail, facsimile transmissions or other written documents prepared or used by the Consultants in connection with the Services will remain the property of the Consultant. With the Consultant's prior permission, the Client may use other information provided by the Consultant, such as specifics related to retailers, developers, site information or other "confidential information" for internal purposes while taking reasonable steps to so limit the use of such materials and maintain its confidentiality.

6. **TERMINATION.**

- A. **By the Client At-Will.** The Client may terminate this Agreement at any time for any or no reason upon delivery of 30 days' prior written notice to the Consultant. Any portion of the Consulting Fee paid prior to such termination of this Agreement is earned when paid and nonrefundable.
- B. **By the Client Upon the Consultant's Default.** The Client may notify the Consultant within 90 days of the day that the Client knows or should have known that the Consultant breached this Agreement. The Consultant will have 30 days following receipt of such notice to cure any alleged breach. If the Consultant fails to cure any alleged breach within that 30-day period, then the Client may terminate this Agreement. Within 30 days of such termination of this Agreement, the Consultant will refund a pro rata portion of the installment of the Consulting Fee previously paid for the contract period during which such termination occurs based upon the number of days remaining in such contract period.
- C. **By the Consultant At-Will.** The Consultant may terminate this Agreement at any time for any or no reason upon delivery of 30 days' prior written notice to the Client. Within 30 days of such termination of this Agreement, the Consultant will refund a pro rata portion of the installment of the Consulting Fee previously paid for the period during which such termination occurs based upon the number of days remaining in such period.
- D. **By the Consultant Upon the Client's Default.** The Consultant may notify the Client within 90 days of the day that the Consultant knows or should have known that the Client breached this Agreement. The Client will have 30 days following receipt of such notice to cure any alleged breach. If the Client fails to cure any alleged breach within that 30-day period, then the Consultant may terminate this Agreement. Any portion of the Consulting Fee paid prior to such termination of this Agreement is earned when paid and nonrefundable.

7. **NOTICES.** Any notice or communication in connection with this Agreement will be in writing and either delivered personally, sent by certified or registered mail, postage prepaid,

delivered by a recognized overnight courier service, or transmitted via facsimile or other electronic transmission, addressed as follows:

Client: City of Lindsay
251 E Honolulu St.
Lindsay, CA 93247
Email: jtanner@lindsay.ca.us
Attention: Joseph Tanner

Consultant: Retail Strategies, LLC
2200 Magnolia Ave. South, Suite 100
Birmingham, AL 35205
Email: sleara@retailstrategies.com
Fax: (205) 313-3677
Attention: Stephen P. Leara, Esq – EVP | General Counsel

or to such other address as may be furnished in writing by either party in the preceding manner. Notice shall be deemed to have been properly given for all purposes: (i) if sent by a nationally recognized overnight carrier for next business day delivery, on the first business day following deposit of such notice with such carrier, (ii) if personally delivered, on the actual date of delivery, (iii) if sent by certified U.S. Mail, return receipt requested postage prepaid, on the third business day following the date of mailing, or (iv) if sent by facsimile or email of a PDF document (with confirmation of transmission), then on the actual date of delivery if sent prior to 5 p.m. Central Time, and on the next business day if sent after such time.

8. **INDEPENDENT CONTRACTOR.** The Consultant, in its capacity as a professional consultant to the Client, is and will be at all times an independent contractor. The Consultant does not have the express, implied or apparent authority either (A) to act as the Client’s agent or legal representative or (B) to legally bind the Client, its officers, agents or employees.

9. **STANDARD TERMS.**

- A. **Affiliated Services:** The Client acknowledges that certain affiliates of the Consultant provide real estate brokerage and management services for which they are paid brokerage, development, leasing, management and similar fees. In connection with the Services and with the prior written permission of the Client, such affiliates may be engaged to provide such services in consideration for the payment of such fees.
- B. **Applicable Laws:** The Consultant will abide by all laws, rules and regulations applicable to the provision of the Services.
- C. **Insurance:** The Consultant will carry all employee insurance necessary to comply with applicable state and federal laws.
- D. **Third Party Beneficiaries:** This Agreement is for the sole benefit of the parties to this Agreement and their permitted successors and assigns. Nothing in this Agreement, whether express or implied, is intended to or will confer upon any other person or entity

any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

- E. **Publicity**: The Client agrees that the Consultant may, from time-to-time, use the Client's name, logo and other identifying information on the Consultant's website and in marketing and sales materials.
- F. **Entire Agreement**: This Agreement, together with any exhibits or amendments hereto, constitutes the entire agreement of the parties, as a complete and final integration thereof with respect to its subject matter. Any prior written or oral understandings and agreements between the parties are merged into this Agreement, which alone fully and completely expresses their understanding. No representation, warranty, or covenant made by any party which is not contained in this Agreement or expressly referred to herein has been relied on by any party in entering into this Agreement.
- G. **Further Assurances**: Each party hereby agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.
- H. **Force Majeure**: Neither party to this Agreement will hold the other party responsible for damages or delay in performance caused by acts of God, strikes, lockouts or other circumstances beyond the reasonable control of the other or the other party's employees, agents or contractors.
- I. **Limitation on Liability; Sole Remedy**: Each party's liability to the other party arising out of or related to this Agreement or the Services will not exceed the amount of the Consulting Fee. The Client's sole remedy in the event of any alleged breach of this Agreement by the Consultant will be the notice, cure and refund provisions of Section 6(B) of this Agreement.
- J. **Amendment in Writing**: This Agreement may not be amended, modified, altered, changed, terminated, or waived in any respect whatsoever, except by a further agreement in writing, properly executed by a duly authorized officer of the Consultant and the Client Representative, acting for and on behalf of the Client.
- K. **Binding Effect**: This Agreement will bind the parties and their respective successors and assigns. If any provision in this Agreement will be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired thereby.
- L. **Captions**: The captions of this Agreement are for convenience and reference only, are not a part of this Agreement and in no way define, describe, extend, or limit the scope or intent of this Agreement.
- M. **Construction**: This Agreement will be construed in its entirety according to its plain meaning and will not be construed against the party who provided or drafted it.
- N. **Prohibition on Assignment**: No party to this Agreement may assign its interests or obligations hereunder without the written consent of the other party obtained in advance of any such assignment. No such assignment will in any manner whatsoever relieve any party

from its obligations and duties hereunder and such assigning party will in all respects remain liable hereunder irrespective of such assignment.

- O. **Waiver:** Non-enforcement of any provision of this Agreement by either party will not constitute a waiver of that provision, nor will it affect the enforceability of that provision or of the remaining terms and conditions of this Agreement.
- P. **Survival:** Section 5 and Section 9(H) will survive termination of this Agreement.
- Q. **Counterparts; Electronic Transmission:** This Agreement may be executed in counterparts, each of which will be deemed to be an original, and such counterparts will, together, constitute and be one and the same instrument. A signed copy of this Agreement delivered by telecopy, electronic transmission or other similar means will be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the Client and the Consultant have caused this Agreement to be executed by their duly authorized officers to be effective as of the Effective Date.

CLIENT:

LINDSAY, CA

By: 

Name: Joe Tanner

Title: City Manager

Date: Dec. 16 2021

CONSULTANT:

RETAIL STRATEGIES, LLC

By: 

Name: ~~Chris Bontrager~~ Robert R. Jolly, Jr.

Title: CEO

Date 12/16/21

EXHIBIT A

I. CONSULTANT AGREEMENT

This section outlines what Retail Strategies (the "consultant") will provide to Lindsay, CA (the "client").

Small Business Support – Duration (6 months/ 2 Quarters)

A. TECHNICAL ASSISTANCE FOR SMALL BUSINESS OWNERS

1. Quarterly Benchmarks
2. Office Hours for Consulting Local Businesses (x2)
3. Catalyst Training Program
4. Digital marketing guide detailing industry trends including digital commerce, marketing strategies to jump start sales, step-by-step tutorial on how to create an online presence for storeowners
5. Digital guide for optimizing social media pages
6. Content calendar template
7. Market & Real Estate Analysis
8. Holiday Shop Local Campaign Toolkit

Exhibit B

New Business Recruitment - Duration (3 Years)

A. Research

1. Identify market retail trade area using political boundaries, drive times and radii and custom boundary geographies
2. Perform market and retail GAP analysis for trade area (i.e. leakage and surplus)
3. Conduct retail peer market analysis
4. Competition analysis of identified target zones trade area(s)
5. Tapestry lifestyles – psychographic profile of trade area / market segmentation analysis
6. Customized retail market guide including aerial map with existing national retailer brands and traffic counts
7. Retail competitor mapping/analysis
8. Analysis of future retail space requirements in relation to the retail market analysis, the market's growth potential and trends in the retail industry
9. Identification of at minimum 30 retail prospects to be targeted for recruitment over three-year engagement
10. Updates provided on retail industry trends
11. Custom on-demand demographic research – historical, current, and projected demographics – to include market trade areas by radius/drive time, and custom trade area

B. Boots on the Ground Analysis

1. Identify/Evaluate/Catalog priority commercial properties for development, re-development and higher and best use opportunities
2. Identification of priority business categories for recruitment and/or local expansion
3. Perform competitive analysis of existing shopping centers and retail corridors
4. Active outreach to local brokers and land owners

C. Retail Recruitment

1. Pro-active retail recruitment for targeted zones
2. Will contact a minimum of 30 retailers, restaurants, brokers and/or developers
3. Updates on new activity will be provided to Client's designated primary point of contact (Sec. II-A) via Basecamp, telephone, or email on a monthly and/or as needed basis
4. One market visit per calendar year included in agreement, any travel outside of the agreement shall be approved and paid for by the contracting entity
5. ICSC conference representation- updates provided according to the yearly conference schedule

EXHIBIT C

Downtown Workshop + Implementation- Duration (3 Years, 1st year workshop 3 years of implementation)

In-market workshop holding focus group and stakeholder meetings and assessing the following to produce a report with implementable solutions and recommendations for revitalizing and redeveloping your Downtown, including but not limited to:

A. Market Analysis

1. Downtown Trade Area Analysis Using Custom Geographies, Radius, and Drivetime Geographies
2. Mobile Data Study for Downtown Merchants
3. Tapestry lifestyles – psychographic profile of trade area / market segmentation analysis
4. Consumer Spending Pattern Reports
5. Market and retail GAP analysis for trade area (i.e. leakage and surplus)
6. Identification of Categories for Business Recruitment
7. Identification of Geographic Areas of Development and Redevelopment

B. Economic Vitality

Assessment of the Downtown's economy and recommendations for opportunities and improvements considering the following:

1. Entrepreneurship & Maker Spaces
2. Catalyst Funding & Project Identification
3. Incentives, Special Revenue Generators, & Other Financial Tools
4. Assess Brand, Messaging, and Image

C. Tourism & Promotion

Assessment of the community's tourism efforts and their branding, marketing, and messaging, specifically related to the Downtown, with recommendations for opportunities and improvements considering the following:

1. Special Event Assessment
2. Hotel & Adjacent Lodging Analysis
3. Transportation & Parking Accessibility Analysis
4. Wayfinding Signage Analysis
5. Placemaking & Beautification Techniques

D. Design

Assessment of the Downtown's streetscapes and aesthetic appeal and recommendations for opportunities and improvements considering the following:

1. Connectivity Analysis: Assessing Gateway Signage, Roadway, Landscaping, Walkability, & Pedestrian & Bike Accessibility
2. Historic Preservation Assessment & Recommendations
3. Assessment Parking, Lighting, Façade, Windows, Public Art, Uniformity of Character and Design, & Architectural Standards

E. Organization

Assessment of organizational capacity for implementing recommendations, committee and volunteer structure and capacity and recommendations for opportunities and improvements considering the following:

1. Strategy Board
2. Investment Strategy Assessment and Recommendation
3. Business Inventory & Maximization
4. Building Inventory & Maximization
5. Public/Private Partnerships (P3)

F. Strategic Vision Implementation and Support

1. Development of work plans document dissecting all strategic recommendations from Downtown Strategic Vision and providing step by step implementation plans to Client.
2. Implementation support for 3-4 strategies in strategic plan, collaboratively identified, and development of associated documents, collateral and resources necessary for successful implementation.
3. Support via email to provide collaboration, answer questions, provide accountability and to advance goals.

**SECOND AMENDMENT TO
PROFESSIONAL SERVICES AGREEMENT TO PROVIDE
PROFESSIONAL CONSULTING & RELATED SERVICES**

THIS SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT TO PROVIDE PROFESSIONAL CONSULTING & RELATED SERVICES (this “Amendment”) is entered into as of the 14 day of December 2022 (the “Effective Date”), by and between **RETAIL STRATEGIES, LLC**, an Alabama limited liability company (the “Consultant”), and **The City of Lindsay, CA** (the “Client”). Any capitalized terms used herein for which a definition is not provided herein shall have the meanings assigned to such terms in that certain Professional Services Agreement to Provide Professional Consulting and Related Services, with an Execution Date as of November 29, 2021 (the “Original Agreement”), as amended by that certain First Amendment to Professional Services Agreement to Provide Professional Consulting & Related Services, with an Execution Date as of January 14, 2022 (the “First Amendment”) (together with the Original Agreement, the “Agreement”).

WITNESSETH:

WHEREAS, the signatories hereto desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises set forth herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree to continue and amend the Agreement as follows:

1. **CONSULTING SERVICES.** The Consultant agrees to provide the following professional services to the Client (the “Services”):

The Consultant agrees to revise its Services and focus solely on retail recruitment in Year 2 of the Agreement, and the Client shall have the option to extend the Agreement for Year 3 for retail recruitment services, if Client chooses to extend the Agreement for Year 3 (as set forth below).

2. **TERM.** The Consultant’s engagement and this Agreement will terminate automatically on the second anniversary of the Execution Date (the “Term”) unless earlier terminated as provided in Section 6 of the Agreement; provided, however, the Client may elect to extend the Term for a third year (“Year 3”) by delivering written notice to the Consultant of its intent to extend the Agreement for Year 3 no later than four (4) months prior to the termination of Year 2. Thereafter, at the end of the Term, the Client, acting by and through the Client Representative, may extend the Term at its option for successive one-year periods on such terms and conditions as the Client Representative, acting for and on behalf of the Client, and the Consultant may agree upon in writing.

3. **CONSULTING FEE.** In consideration for providing the Services, the Client agrees to pay the Consultant a consulting fee (the “Consulting Fee”) in an amount equal to \$150,000. The Consulting Fee will be paid in installments of immediately available funds as

follows:

Contract Period	Payment Date	Payment Amount
Year One	January 14, 2022	\$110,000
Year Two	On or before the 1st anniversary of the First Amendment	No Charge (\$0.00)
Year Three	On or before 12/15/2023	\$40,000

Consultant will invoice Client upon completion of each item referenced above, and Client shall remit payment to Consultant within thirty (30) days of receipt of an invoice.

4. Except as amended by the provisions hereof, the Agreement, shall remain in full force and effect in accordance with its terms and is hereby ratified, confirmed and reaffirmed by the undersigned for all purposes and in all respects.


5. This Second Amendment shall be binding upon and shall inure to the benefit of the parties hereto, their respective legal representatives, successors and assigns.

6. This Second Amendment may be executed in counterparts, all of which together shall constitute one agreement binding on all the parties hereto, notwithstanding that all such parties are not signatories to the original or the same counterpart.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment as of the date first written above.

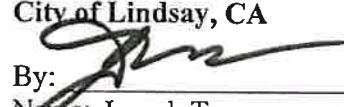
CONSULTANT:

RETAIL STRATEGIES, LLC

By: 
Name: Robert R. Jolly, Jr.
Title: CEO/Principal
Date: 12/15/2022

CLIENT:

City of Lindsay, CA

By: 
Name: Joseph Tanner
Title: City Manager
Date: 12.14.22



STAFF REPORT

TO: Lindsay City Council
FROM: Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: City Manager
ITEM NO.: 13.4
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

Consider Council Member City Water Ad-Hoc Committee Representative Re-Appointment.

Staff recommends that the City Council review their level of involvement, their schedule, and consider if appointments to this Committee should be re-assigned based on Council Member's interests and availability.

BACKGROUND | ANALYSIS

On May 23, 2023, the Lindsay City Council approved the formation of a City Water Ad-Hoc Committee, appointed members from the community, and appointed two (2) members of the City Council as representatives. The committee is composed of six (6) members made up of two (2) City Council Members, three (3) community groups/organizations, one (1) representative from Lindsay Unified School District to ensure transparency and efficiency in decision making.

The purpose of the committee is primarily to, but not limited to the following:

- Review and discuss Well 11 Feasibility Study Report and identified findings and recommendations.
- Review and discuss Water Feasibility Study Report and identified findings and recommendations.
- Review and discuss City infrastructure, supply, and financials.
- Discuss and identify potential funding sources to address Well 11 and Water Feasibility Studies recommendations.

The Committee has duly held four (4) out of the five (5) planned Committee meetings. Meetings are tentatively planned to resume in 2024 pending direction from the City Manager. It is anticipated that a few additional meeting dates and topics be added to the adopted meeting schedule.

At this time it is requested that the City Council review their level of involvement, their schedule, and consider if appointments to this Committee should be re-assigned based on Council Member's interests and availability.

FISCAL IMPACT

No fiscal impact associated with this action.

ATTACHMENTS

- Boards, Agencies, and Committees Appointments
- Committee Roster

BOARDS, AGENCIES, AND COMMITTEES APPOINTMENTS

(EFFECTIVE MAY 23, 2023)

Board, Agency, or Committee Name	Meeting Time	Council Member Representative	Council Member Representative Alternate
Integrated Regional Water Management (IRWM)	First Tuesday of every month at 9:00 AM	Mayor Cerros	Mayor Pro Tem Flores
East Kaweah Groundwater Sustainability Agency (EKWSA)	Fourth Monday of the first month of every quarter at 3:00 PM	Mayor Cerros	Council Member Sanchez
Tulare County Association of Government (TCAG) Board of Governors	Third Monday of every month at 1:00 PM	Mayor Cerros	Council Member Caudillo
Tulare County Regional Transit Agency (TCRTA) Board of Directors	Third Monday of every month at 6:00 PM	Mayor Cerros	Council Member Sanchez
Lindsay Wellness Center Programming Committee	Second Monday of every month at 5:30 PM	Council Member Serna <i>*Per Committee establishment, two (2) Council Members are required</i>	Council Member Sanchez <i>*Per Committee establishment, two (2) Council Members are required</i>
Healthy Kids Healthy Lindsay	Quarterly, select Weekday's at 3:30 PM	Mayor Cerros <i>*Per Committee Bylaws, the Mayor is automatically the Board Member</i>	Mayor Pro Tem Flores <i>*Per Committee Policy, the Mayor Pro Tem is automatically the Alternate Board Member</i>
Tulare County City Selection Committee	Quarterly, select Weekday's at 4:00 PM, or on an as-needed basis	Mayor Cerros <i>*Per committee Bylaws, the Mayor is automatically the selected member</i>	Mayor Pro Tem Flores
Friday Night Market Operations Ad-Hoc Oversight Committee	As-needed basis	Council Member Caudillo <i>*Per Agreement with Market Operator, two (2) Council Member Representatives are needed</i>	Mayor Cerros <i>*Per Agreement with Market Operator, two (2) Council Member Representatives are needed</i>
San Joaquin Valley (SVJ) Air Pollution Control District Special City Selection Committee	As-needed basis, typically in the evenings	Mayor Cerros	None
Tulare County Council of Cities	Bimonthly, Third Wednesday at 4:00 PM, or on an as-needed basis	Mayor Pro Tem Flores	Mayor Cerros
City Sign Ordinance Ad-Hoc Committee	Three (3) times throughout the year, or on an as-needed basis, typically in the evenings	Mayor Cerros <i>*Per Committee establishment, two (2) Council Members are required</i>	Council Member Sanchez <i>*Per Committee establishment, two (2) Council Members are required</i>
City Water Ad-Hoc Committee	Three (3) times throughout the year, or on an as-needed basis, typically in the evenings	Mayor Pro Tem Flores <i>*Per Committee establishment, two (2) Council Members are required</i>	Council Member Sanchez <i>*Per Committee establishment, two (2) Council Members are required</i>

Table 1: Application Submittal Summary

Community Groups/Organizations				
First Name	Last Name	Date Submitted	Why Interested	Qualifications
Mayra	Magallanes	6/6/23	<ul style="list-style-type: none"> Increased City/community involvement Desire to improve quality of life in Lindsay Desire to be a part of a positive committee to support Lindsay 	<ul style="list-style-type: none"> Positive Strong leadership skills Held leadership roles for many years
Jose	Soria	6/16/23	<ul style="list-style-type: none"> Life-long resident of Lindsay Looking for opportunities to improve community 	<ul style="list-style-type: none"> Bachelor’s degree in environmental economics Master of Arts Degree 10 years in education and coaching
Brenda	Gonzalez	6/22/23	<ul style="list-style-type: none"> Invested in making community better Desire to become educated on City issues Improve areas with need 	<ul style="list-style-type: none"> Lindsay Local Hospital District Board Member Desire to comprehend Positive communication and collaboration
Lindsay Unified School District				
First Name	Last Name	Date Submitted	Why Interested	Qualifications
Grant	Schimelpfening	6/21/23	<ul style="list-style-type: none"> Desire to be a good steward of City resources Have input on City water decisions and policies 	<ul style="list-style-type: none"> Member of LUSD cabinet Influence in decision making over LUSD policies and procedures

Table 2: Committee Composition (Approved by Lindsay City Council)

	Group	Name	Email
1	Lindsay City Council	Yolanda Flores, Mayor Pro Tem	yflores@lindsay.ca.us
2	Lindsay City Council	Rosaena Sanchez, Council Member	rsanchez@lindsay.ca.us
3	Lindsay Community Member	Mayra Magallanes	m.magallanes016@gmail.com
4	Lindsay Community Member	Jose Soria	josesoriajr@gmail.com
5	Lindsay Community Organization	Brenda Gonzalez	gonzalez.brenda2003@gmail.com
6	Lindsay Unified School District	Grant Schimelpfening	gschimelpfening@lindsay.k12.ca.us



STAFF REPORT

TO: Lindsay City Council
FROM: Araceli Mejia, Assistant City Planner
DEPARTMENT: City Services and Planning
ITEM NO.: 14.1
MEETING DATE: December 12, 2023

ACTION & RECOMMENDATION

First Reading of Ordinance No. 614, An Ordinance of the City Council of the City of Lindsay Adopting a Cannabis Combined Zoning District, Allowing Cannabis Retail Within the Newly Created Boundaries in the Downtown Area, Amending the Lindsay Zoning Map as Adopted by Ordinance No. 437, Amending Section 18.02.010, Enacting Section 18.12.030, and Amending Section 5.28.040 of the Lindsay Municipal Code, Pertaining to Cannabis Retail Dispensaries, Finding that Said Ordinance is Exempt from Review Under the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Section 15060(c)(2), 15061(b)(3), and 15378(b)(2), and Authorization to Waive Full Reading of Said Ordinance and Authorize Reading by Title Only.

Based on the findings and subject to the conditions of approval within this report, City Staff recommends that Council approve the first reading of Ordinance No. 614.

BACKGROUND | ANALYSIS

The City of Lindsay established permitting procedures and regulations for cannabis businesses with the adoption of Ordinance No. 573 and amendments to Title 5 Business Taxes, Licenses and Regulations of the Lindsay Municipal Code. Additionally, the City of Lindsay Resolution No. 19-27 provides clarity on the tax rates and fees associated with cannabis cultivation and other related cannabis businesses. However, the Municipal Code and City of Lindsay Zoning Map were not amended to specifically define where retail cannabis businesses (dispensaries) may locate within the City.

The proposed amendments include the introduction of a new combining district, the Retail Cannabis Dispensary (CAD) zone, to the Lindsay Municipal Code and the Lindsay Zoning Map. In addition to local regulations, all applicants and businesses must operate strictly within the guidelines stipulated in the California Business and Professions Code section 19300.5, as well as any amendments by the State of California.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This Ordinance is not subject to review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2) [the activity will not result in a direct or reasonably foreseeable indirect physical changes in the environment] Section 15061(b)(3) [there is no possibility the activity in

question may have a significant effect on the environment]. In addition to the foregoing general exemptions, the City Council further finds that the ordinance is exempt from review under CEQA because the ordinance involves continuing administrative activities in accordance with CEQA Guidelines Section 15378(b)(2).

FINDINGS

Amendments to the Municipal Code and Zoning Map may be approved by the City Council if the proposed amendment is necessary to achieve the objectives of the Zoning Code described in Chapter 18.01 and if the amendment would be consistent with the goals and policies of the General Plan and the purposes and application intended for the zoning district classification proposed.

1. The amendment is necessary to achieve the objectives of the Zoning Code described in Chapter 18.01.
2. The amendment is consistent with the goals and policies of the General Plan and the purposes and applications intended for the zoning district classification proposed.

RECOMENDED APPROVAL FINDINGS

1. The amendment is consistent with the goals and policies of the General Plan and the purposes and application intended for the zoning district classification proposed.

FISCAL IMPACT

The Ordinance and amendment to the Zoning Map will benefit Lindsay by providing clear regulations describing where retail cannabis businesses are and are not allowed in the City. It will protect the public health, safety, and welfare of the community and its residents. There are adequate enforcement and permitting mechanisms to regulate cannabis operations in the City.

ATTACHMENTS

- Proof of Published Notice of Public Hearing
- CEQA Notice of Exemption for Zone Change No. 2023-02
- Ordinance No. 614 – Redline Copy
- Exhibit A
- Exhibit B

CITY OF LINDSAY PUBLIC HEARING NOTICE

Date: Tuesday, December 12, 2023
Time: 6:00 PM or as soon thereafter
Location: Council Chambers City Hall
251 East Honolulu Street, Lindsay, CA 93247

NOTICE IS HEREBY GIVEN that the City Council of the City of Lindsay, California, will hold a public hearing on December 12, 2023, beginning at 6:00 PM (or as soon thereafter as the matter can be heard) to solicit public comments relating to the following matter:

FIRST READING OF ORDINANCE NO. 614, AN ORDINANCE OF THE CITY OF LINDSAY ADOPTING CANNABIS COMBINED ZONING DISTRICT. ORDINANCE NO. 614 AMMENDS TITLES FIVE (5) AND EIGHTEEN (18) OF THE LINDSAY MUNICIPAL CODE, ALLOWING CANNABIS RETAIL WITHIN NEWLY CREATED BOUNDARIES IN THE DOWNTOWN AREA.

FURTHER information on this matter and the full text of the proposed documents may be obtained from the City Clerk at 251 East Honolulu Street, Lindsay, CA 93247 during normal business hours 9:00 AM-5:00 PM Monday through Friday.

ALL INTERESTED PARTIES are encouraged to attend said PUBLIC HEARING to ask questions, express opinions and/or submit evidence for or against the matter. Written comments should be submitted via mail to the City Clerk at P.O. Box 369, Lindsay, CA 93247, or in person at 251 East Honolulu Street, Lindsay, CA 93247, or via email to lindsaycityclerk@lindsay.ca.us at least 24 hours prior to the scheduled public hearing.

BY ORDER OF THE CITY COUNCIL OF THE CITY OF LINDSAY

Dated: November 29, 2023

Notice of Exemption

Appendix E

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of: _____

Lead Agency
From: (Public Agency): _____

(559)562-7102 (Address)

Project Title: _____

Project Applicant: _____

Project Location - Specific:

Project Location - City: _____ Project Location - County: _____

Description of Nature, Purpose and Beneficiaries of Project:

Name of Public Agency Approving Project: _____

Name of Person or Agency Carrying Out Project: _____

Exempt Status: (check one):

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));
- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: _____
- Statutory Exemptions. State code number: _____

Reasons why project is exempt:

Lead Agency
Contact Person: _____ Area Code/Telephone/Extension: _____

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: _____ Date: _____ Title: _____

Signed by Lead Agency Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Date Received for filing at OPR: _____

ORDINANCE NO. 614

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LINDSAY ADOPTING A CANNABIS COMBINED ZONING DISTRICT, ALLOWING CANNABIS RETAIL WITHIN THE NEWLY CREATED BOUNDARIES IN THE DOWNTOWN AREA, AMENDING THE LINDSAY ZONING MAP AS ADOPTED BY ORDINANCE NO. 437, AMENDING SECTION 18.02.010, ENACTING SECTION 18.12.030, AND AMENDING SECTION 5.28.040 OF THE LINDAY MUNICIPAL CODE, PERTAINING TO CANNABIS RETAIL DISPENSARIES.

THE CITY COUNCIL OF THE CITY OF LINDSAY DOES ORDAIN AS FOLLOWS:

ARTICLE 1: The ordinance intends to define where cannabis retail dispensaries may locate within the City.

ARTICLE 2: The new Retail Cannabis Dispensary (CAD) combining district, as shown in Exhibit A and generally bound by West Hermosa Street to the North, South Gale Hill Avenue and Foster Avenue to the East, Lewis Street to the South, and Sweetbriar Avenue to the West, shall be added to the official Zoning Map of the City of Lindsay.

ARTICLE 3: The City Planner of the City of Lindsay is hereby authorized, instructed, and directed to make the changes to the official Zoning Map of the City of Lindsay made by Article Two of this Ordinance by outlining the boundaries of the described district on the Zoning Map adopted by Ordinance 437 of the City of Lindsay as shown in Exhibit B.

ARTICLE 4: Section 18.02.010 of Title 18 of the Lindsay Municipal Code is hereby amended to read as follows:

Chapter 18.02.010

Districts

B. Combining Districts.

PUD	Planned unit development district
MXU	Mixed use district

<u>CAD</u>	<u>Retail Cannabis Dispensary district</u>
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ARTICLE 5: Chapter 18.12 Combining Districts of Title 18 of the Lindsay Municipal Code is hereby amended to enact Section 18.12.030 to read as follows:

Chapter 18.12.030

CAD Combining District

1. Purposes and Application. The CAD combining district defines the area designated by the city council where commercial cannabis businesses and cannabis dispensary operations are allowed. The CAD combining district can be applied to any base district.
2. Applicable Regulations and Procedures. Title 5 Business Taxes, Licenses and Regulations of the Lindsay Municipal Code dictates the establishment and operation of retail cannabis businesses. In addition to local regulations, all retail businesses must operate strictly within the guidelines stipulated in the California Business and Professions Code section 19300.5, as well as any amendments by the State of California.

ARTICLE 6: Section 5.28.040 of Title 5 of the Lindsay Municipal Code is hereby amended to read as follows:

Chapter 5.28.040

Cannabis Dispensaries Permitted Uses And Zoning

- A. Business Owners meeting the requirements of this chapter shall be allowed to conduct Cannabis Dispensary Operations within the Retail Cannabis Dispensary (CAD) combining ~~Central Business District of the CC Central Commercial~~ zone district of the City upon approval of a conditional use permit in accordance with Title 18 of the Municipal Code: The Cannabis Dispensary Operation shall at all times be in compliance with this chapter as it may be amended from time to time or repealed and replaced by another chapter governing the Cannabis Dispensary operation.
- B. A Commercial Cannabis Business meeting the requirements of this chapter that includes an entertainment venue permitting the sale for on-site consumption of cannabis, including comedy clubs, and cannabis cultivation that does not exceed

20% of the gross leasable area shall be allowed to conduct operations within the ~~Retail Cannabis Dispensary (CAD) combining Central Business District of the CC-Central Commercial~~ zone district of the City upon approval of a conditional use permit in accordance with Title 18 of the Municipal Code. The Commercial Cannabis Business shall at all times be in compliance with this chapter as it may be amended from time to time or repealed and replaced by another chapter governing the Cannabis Dispensary operation and shall at all times meet the requirements of the State of California.

ARTICLE 7: The City Council hereby finds that this ordinance is not subject to review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2) [the activity will not result in a direct or reasonably foreseeable indirect physical changes in the environment] Section 15061(b)(3) [there is no possibility the activity in question may have a significant effect on the environment]. In addition to the foregoing general exemptions, the City Council further finds that the ordinance is exempt from review under CEQA because the ordinance involves continuing administrative activities in accordance with CEQA Guidelines Section 15378(b)(2). The City Manager is hereby directed to ensure that a Notice of Exemption is filed pursuant to CEQA Guidelines section 15062 [14 C.C.R. § 15062].

ARTICLE 8: The City Council hereby finds the amendment is consistent with the goals and policies of the General Plan and the purposes and application intended for the zoning district classification proposed.

ARTICLE 9: The provisions of this ordinance shall not in any way be construed as imposing any duty of care, liability or responsibility for damage to person or property upon the City of Lindsay, or any official, employee or agent thereof.

ARTICLE 10: Nothing in this ordinance or in the codes hereby adopted shall be construed to affect any suit or proceeding pending or impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance or code repealed by this ordinance, nor shall any just or legal right or remedy of any character be lost, impaired or affected by this ordinance.

ARTICLE 11: If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this ordinance, or its application to any other person or circumstance. The City Council of the City of Lindsay hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact

that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

ARTICLE 12:This Ordinance shall be in full force and effect on and after the 30th day after its adoption by the City Council. Within 15 days after its adoption by the City Council, this Ordinance shall be published in full text or in summary in a newspaper of general circulation in the City of Lindsay.

THE FOREGOING ORDINANCE, read by title only with waiving of the reading in full, was introduced at a regularly scheduled meeting on the ____ day of _____ 2023.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council held on the ____ day of _____, 2024.

CITY COUNCIL OF THE CITY OF LINDSAY

Hipolito A. Cerros, Mayor

ATTEST:

Francesca Quintana, City Clerk

EXHIBIT A



EXHIBIT B

