

The top of the page features a banner image. On the left, the City of Lindsay logo is displayed in a white, stylized script font, with 'CITY OF' in a smaller sans-serif font above it and 'CALIFORNIA' in a smaller sans-serif font below it. The background of the banner shows a white building with a red-tiled roof and a central tower, set against a clear blue sky. On the right side of the banner, there is a graphic of an orange tree with several ripe oranges, and a shield-shaped emblem with a blue top section containing five white stars and a red and white striped bottom section, with the text 'All-America City' written across it.

CITY OF  
*Lindsay*  
CALIFORNIA

# Operating Budget 2014 - 15

City of Lindsay  
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City of Lindsay  
City Manager's FY15 Budget Message

June 24, 2014

Honorable Mayor and City Council:

The Annual Operating Budget of the City of Lindsay provides for the fiscal year 2014/2015, which starts July 1, 2014. This budget represents the priorities of the governing body as staff understands them to be: Allocation of all available resources toward completing the street renovation program, increasing quality of life and community with increased code enforcement and animal control services, incur no new debt, continue the strict expenditure control policies, limit employee salary and benefit costs, address the infrastructure weaknesses in the water and sewer departments, and engage the citizenry in our water conservation efforts.

The process has included public input, via a public participation survey, a council study session, department head meetings, and listening to open public comment and discussion in which concerns were voiced. Through this collaborative process we have identified the priority for our allocations and crafted the budget document to reflect this direction from Council while also meeting our Debt Service obligations and service to our citizens.

#### Debt Service Fund Focus

Staff has worked hard, with great success, this past year to address those debt instruments of the City, or that of the former Redevelopment Agency (for which the City is ultimately responsible), that has, or had, upcoming balloon payments that could have forced the City into default: We have successfully negotiated an extension of terms and lowering of the interest rate for both CalHFA loans, we met the balloon payoff of the \$1.5 Million Mid Valley loan via the Lindsay Financing Authority issuance of a long-term revenue lease bond that will ensure a reduction of the principal each year and we have taken measures to ensure a funding plan to meet the balloon payment of the 2009 \$1 Million Bond issue that is due October 1, 2014. All the aforementioned debt was incurred between the years of 2004 - 2009. The comprehensive Debt Service Fund schedule, that is included as part of this budget document, provides detailed information regarding all outstanding debt for which the City, or City as Successor Agent for the former Redevelopment Agency, is responsible and has been updated for the new fiscal year to include the date of origination, the original loan amount, the interest rate, the payment amounts and dates as well as the source of funds for repayment. No new debt was incurred in fiscal year 2013-14 and no new debt will be incurred in fiscal year 2014-15.

### Enterprise Fund Focus

Providing for basic services, without increasing rates, is a top priority that has been accomplished with this budget; however, it must be noted that both the refuse and sewer funds are running at a deficit, due to the rate reductions of 2011, and are balanced with either a transfer from the Street Improvement Fund (refuse) or the use of Fund Balance (sewer). Both the water rate study and the water feasibility study have been completed and presented to Council. Both studies comprise an integral part of our application for assistance to the State Water Resources Board to provide funding for addressing our well(s) and water quality issues. Water is a critical issue for this town that despite economic diversification is still heavily reliant on the agriculture industry for the livelihood of many of our citizens and industries. Ensuring an adequate and quality water supply for the City of Lindsay is a top concern and priority for the upcoming fiscal year and for future years.

### General Fund Focus and New Funds Established

In FY14, the Street Improvement Program (SIP) Fund was established to account for the portion of the utility billing rates – 23.6% of the charge for each service - water, sewer, and refuse – that was established to fund the streets renovation and maintenance program. By establishing a unique and separate accounting fund for these fees, a fund balance has been established which facilitates the tracking of these funds to ensure they are appropriated solely for streets renovation purposes unless otherwise authorized. The SIP Fund is a Special Revenue Fund. Prior to FY14, the 23.6% portion of the utility collections was expensed to each of the enterprise funds in which it was collected, then reclassified as revenue to the General Fund for use in streets projects. The collections are about \$1 Million annually. Not reclassifying these revenues into the General Fund has resulted in a deficit in the General Fund in the amount of \$491,115 for FY15.

In addition to the SIP Fund, we also established a Capital Improvement Projects (CIP) Fund and incorporated the use of Project Codes to ensure greater control and accountability of all projects and to provide an easier reference regarding the funding source for each CIP project.

The budget study session of May 20, 2014, was instrumental in providing Council direction for the prioritization of capital improvement projects for FY15. A detailed CIP Projects schedule, as well as an updated Five-Year Capital Improvement Plan, is included with this document.

### FY 14 GOALS & OBJECTIVES UPDATE:

- **Complete the Water Rate and Water Feasibility Studies and pursue funding sources that can aid in improving our water quality and water delivery system. Dedicate a greater portion of discretionary funds toward capital improvement of the water plant and water delivery system to ensure adequate supply now and in the future.**
  - Both the Water Rate Study and the Water Feasibility Study have been completed and will be used as part of our grant application to the State Water Quality Control Board, as well as any other grant funders specific to our water and well issues. SCADA systems for both the Water Plant and the Wastewater plant were updated and/or replaced to ensure better monitoring and reduce employee costs. Funds for the replacement of the Laurel Avenue water lines were allocated in the amount of \$300,000; the project was begun in FY14 and will be completed in FY15. Once

- completed, not only will this help with our water conservation efforts, but will significantly reduce the emergency call-out and employee costs associated with the many water leaks in that area. This goal has been met.
- **Increase the completion percentage of the Streets Improvement Program from 52% to 57% by the end of FY14.**
  - As of June 18, 2014, we are at 54% completion of the Streets Improvement Program 97% of this goal was met.
- **Increase the emergency response-capability of the Public Safety Department and aggressively curb gang activity through educational awareness and active enforcement efforts.**
  - A Collaborative agreement has been reached with Lindsay Unified School District (LUSD) to provide funding to continue the School Resource Officer position. McDermont Field House and the Lindsay Wellness Center have both worked closely with the Tulare County Step-Up program to provide wholesome and affordable recreational opportunities for at-risk youth; McDermont Field House is an established “safe zone” for kids. This goal is being met.
- **Actively research and develop a viable Economic Development strategy to encourage greater business relocation and development in Lindsay; work with the area Economic Development Corporation to promote Lindsay businesses and community activities.**
  - The City of Lindsay has maintained its membership in the Tulare County Economic Development Corporation, is included in their quarterly publication and the Department Director is active in attending meetings and functions pertinent to economic development. Staff have updated the City website to enhance the City’s profile and included links to subdivision opportunities, community activities, and general information regarding the excellent quality of life Lindsay has to offer. Both McDermont Field House and the Lindsay Wellness Center maintain websites to encourage use and participation at their facilities. The Deputy City Clerk represents the City at the monthly Chamber of Commerce meetings. The City Manager and the Economic Development Director have worked diligently to facilitate the sale and reopening of the former Tulare Frozen Foods as well as the former Captain’s restaurant. One of the new businesses, “Wild Bill’s Barber Shop”, that was accepted into the Lindsay small business incubator program was named the 2013 New Business of the Year by the Lindsay Chamber of Commerce. While this goal was met for FY14, it will continue to be a top priority for all future fiscal years.
- **Reduce the overall outstanding debt and incur no new debt.**
  - Principal reduction in the amount of \$475,965 was made to City debt; former RDA debt was reduced by \$650,000; two loans were renegotiated to extend the terms and reduce the interest; one short-term interest-only loan was refinanced into a long-term revenue bond; Council appropriated funds to pay off one long-term lease obligation 2 months early in FY14; No new debt was incurred. This goal was met.

- **Develop a Fleet Replacement Fund and program to ensure adequate resources are available to fund the replacement of vehicles, particularly police and fire vehicles, when they reach the end of useful life.**
  - This goal is still a work-in progress and will be moved to the FY15 Goals list.
- **Develop a Capital Reserve Fund for the Enterprise Funds to ensure adequate funds are available for major equipment repair.**
  - The Water Fund was able to meet its Capital Reserve goal to set aside funds for major capital improvement and infrastructure maintenance. The Sewer Fund is running at a deficit, but has a healthy fund balance at present – no funds were set aside in FY14 for future Capital Improvement, McDermont Field House does not have a Capital Reserve Fund, but does budget annually for major building and equipment repair; the Wellness Center has a \$35,000 Reserve that was part of the USDA Loan close-out to ensure adequate funds in the event of equipment failure or replacement needs. This goal was 75% met.
- **Continue the goal from previous years of restoring the City's cash reserves.**
  - Per the City Treasurer Reports the accessible cash for the City and Successor Agency at June 30<sup>th</sup> were as follows:
    - FY12 \$1,940,172
    - FY13 \$1,943,951
    - FY14 \$2,600,000 (aprox. based on current balance of \$2,728,139)This goal is being met.
- **Develop contingency plans to address the possibilities of increased costs, loss of revenue, or increased state unfunded mandates.**
  - This goal has not been met and will be moved to FY15 with achievement-specific dates to ensure a plan is put in place before the end of FY15.

\*\*\*\*\*

At my direction, the Finance Director has prepared this budget, with input from all Department Heads, consistent with the objectives and goals identified in the council study session and set forth herein for the fiscal 2014/2015 year:

**FY 15 GOALS & OBJECTIVES UPDATE:**

- **Develop a progress form standard for all departments to set and track goal target dates for departmental goals that can be used to measure and report progress to Council on a quarterly basis. Form to be completed and ready for use by September 30, 2014.**
- **Complete the Financial System upgrade conversion with full implementation completed by August 31, 2014.**
- **Establish additional water meter read routes to implement the electronic read system that is compatible with the financial billing system which will save employee time, increase efficiency, and reduce errors. The first test route shall be established**

- **no later than August 31, 2014 with additional routes added every month thereafter until all neighborhoods with this technology have been incorporated into the system.**
- **Update the City website to list available commercial properties, streamline the permitting and application processes and make the site more attractive and user friendly. The on-line forms application is to be added no later than November 1, 2014 with the site revision to be completed by March 31, 2015.**
- **Make applications to all available sources to secure funding to repair Well #11 to ensure an adequate supply of back-up water supply. Develop an emergency water plan with the first draft completed by September 30, 2014 and the completed document approved by Council by March 31, 2015.**
- **Increase the completion percentage of the Streets Improvement Program from 54% to 65% by the end of FY15 – Progress time lines to be quarterly with the majority of the work to be completed in the first, second, and fourth quarters of the fiscal year.**
- **Replace the antiquated records system of the Public Safety Department with bidding, purchase and installation to be completed by October 15, 2014 and full conversion, training, and implementation completed by December 31, 2014.**
- **Develop a Fleet Replacement Fund and program to ensure adequate resources are available to fund the replacement of vehicles, particularly police and fire vehicles, when they reach the end of useful life. Time line for implementation of this goal shall be to complete a needs assessment by September 30, 2014; To research and identify funding sources by December 31, 2014 and establish a cash reserve fund amount by May 15, 2015 with regular deposit amounts to be budgeted and begin July 1, 2015 and continue quarterly thereafter.**
- **Develop and implement a minimum fund balance policy for each of the City's major funds. Progress reports to be made quarterly with the policy presented to Council for adoption with the March 31, 2015 financial update.**
- **Continue to make the City of Lindsay one of the healthiest communities in the Valley by providing increased recreational opportunities at city public facilities and parks in partnership with Lindsay Unified School District. Pursue the HRRP grant that will facilitate this goal. Grant application to be submitted before July 1, 2014 – if funded the funds would be received by December 31, 2014 and expended on park and recreation projects by June 30, 2015.**
- **Develop contingency plans to address the possibilities of increased costs, loss of revenue, or increased state unfunded mandates. Finance Department to complete a 5 year and 10 year forecast report by September 4<sup>th</sup> and present to Council for acceptance on September 9, 2014. Once the forecast is complete, contingency plans can be developed. Completion deadline is March 31, 2015.**

## UPCOMING CHALLENGES:

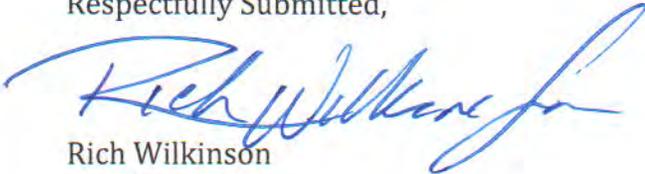
- A. *Employee Benefits:* The budget for FY13 saw an increase in workmen's comp rates of 45% for Municipal employees (non manual labor), 69% for all other non-safety Municipal employees, and 23% for police officers. The budget for FY14 saw another increase in the rates set by the State Insurance Commissioner of 22% for Municipal employees (non manual labor), 17% for all other non-safety Municipal employees, and 7% for police officers. Per our insurance carrier, these rates are expected to increase for FY15 by another 15-20% and we will be billed a retrospective adjustment for previous years losses of \$27,343. This continued increase is substantial and quite negatively impacts the City's overall budget, particularly the General Fund that accounts for the public safety department. In addition to the work comp rate increase, the Pension Reform Act of 2012 will result in a major increase in FY16 for which we must begin mitigation efforts now. These efforts will involve reviewing our retirement plans and increasing the percentage the employee's pay of the EPMC portion of the overall CalPERS contribution. Lastly, our health care premiums continue to rise each year by 4-12%; the City can no longer absorb these increases and a cap on this benefit must be set or the plan reduced to a lesser benefit. The City did add an additional tier to the plan, the Choice 750 that is considerably less than the Classic tier, so when the cap is implemented (at 2014 rates which is \$685/employee) the employees will have a choice of paying the difference of the increase or changing to the alternate tier. Staff will continue to explore optional insurance plans to ensure we are providing the greatest possible benefit while not increasing the cost to the City budget.
- B. *Insurance:* The City expects to see a 10-15% increase in our Liability premiums and a 15-20% increase to the Property premiums. The City does not participate in either the Auto Physical Damage Program or the Employment Practices (ERMA)
- C. *Staffing:* Although three new positions have been added to the authorized positions, there is only one full-time equivalent being added to the budget as four positions, two of which were funded, have either been eliminated or suspended due to lack of funding (ASSETS program). The new positions are intended to ensure proper segregation of duties and oversight in the Finance Department (Management Analyst), address community quality of life issues (Code Enforcement Officer), and provide assistance and succession assurance for the City Manager's office (Assistant City Manager) which will allow for continuity of the current leadership. This budget includes a 1.5% COLA increase for Public Safety sworn personnel only, excluding all other employee groups including Administrative staff that will remain at current rates. We will continue to do more with less and work as efficiently as possible.
- D. *Special Audits:* Staff has worked closely and cooperatively with auditors from the Department of Transportation and the State Office of Housing & Community Development to resolve compliance and expenditure issues with projects between the years 2005 - 2010. There may be some repayment demands made against the City. At this time, the amount of the final demands is unknown, but staff is proactively preparing for the eventuality.

CONCLUSION:

We have made tremendous strides in the last 3.5 years in addressing the plethora of problems that faced the City in the fall of 2010 when we took over. There are still a number of issues pending resolution that we will have to address in FY15. Your City staff remains dedicated to providing updated information to both the Council and citizens through our quarterly Financial Update Reports. These reports allow us to determine if our revenue projections are materializing, and indicate how each operating area is financially performing relative to the budget.

I want to thank the Mayor and City Council for their total involvement in the budget decision-making process; we are mindful and aligned with your stated goals and objectives for this fiscal year. I would like to recognize the efforts of Finance Director Tamara Laken and my Administrative Assistant, Maria Knutson, for preparing a budget document that I believe is comprehensive, yet designed to provide the reader with ease of use and understanding. I also want to thank all my city colleagues for their commitment to providing the City of Lindsay resident's outstanding public service, despite continued budget reductions, and for each employee's commitment in making Lindsay a great place to live, visit, and work.

Respectfully Submitted,



Rich Wilkinson  
City Manager

# INTRODUCTION

# CITY OF LINDSAY

Annual Budget 2014-2015

## CITY COUNCIL



Rosaena Sanchez



Danny Salinas  
Vice-Mayor



Ramona Villarreal-Padilla  
Mayor



Pam Kimball



Steven Mecum

### COUNCIL CONTACT INFORMATION AND COMMITTEE ASSIGNMENTS

#### **Mayor Villarreal-Padilla**

(559-361-3731) email: [rpadilla@lindsay.ca.us](mailto:rpadilla@lindsay.ca.us)

Healthy Kids/Healthy Lindsay

Valley-Wide Special Selection on San Joaquin Valley Air Board

\*ALTERNATE - Tulare Co. Association of Governments

\*ALTERNATE - Measure R

#### **Vice-Mayor Salinas**

(559-562-7102 ext. 8031) email: [dsalinas@lindsay.ca.us](mailto:dsalinas@lindsay.ca.us)

Health Care/Advisory Hospital District

\*ALTERNATE - Tulare Co. Economic Development Corporation/BIZ

#### **Council Member Kimball**

(559-562-7102 ext. 8031) email: [pkimball@lindsay.ca.us](mailto:pkimball@lindsay.ca.us)

Tulare Co. Association of Governments (TCAG)

Measure R

\*ALTERNATE - Healthy Kids/Healthy Lindsay

\*ALTERNATE - Health Care/Advisory Hospital District

#### **Council Member Sanchez**

(559-562-7102 ext. 8031) email: [rosaena.sanchez@yahoo.com](mailto:rosaena.sanchez@yahoo.com)

Consolidated Waste Management

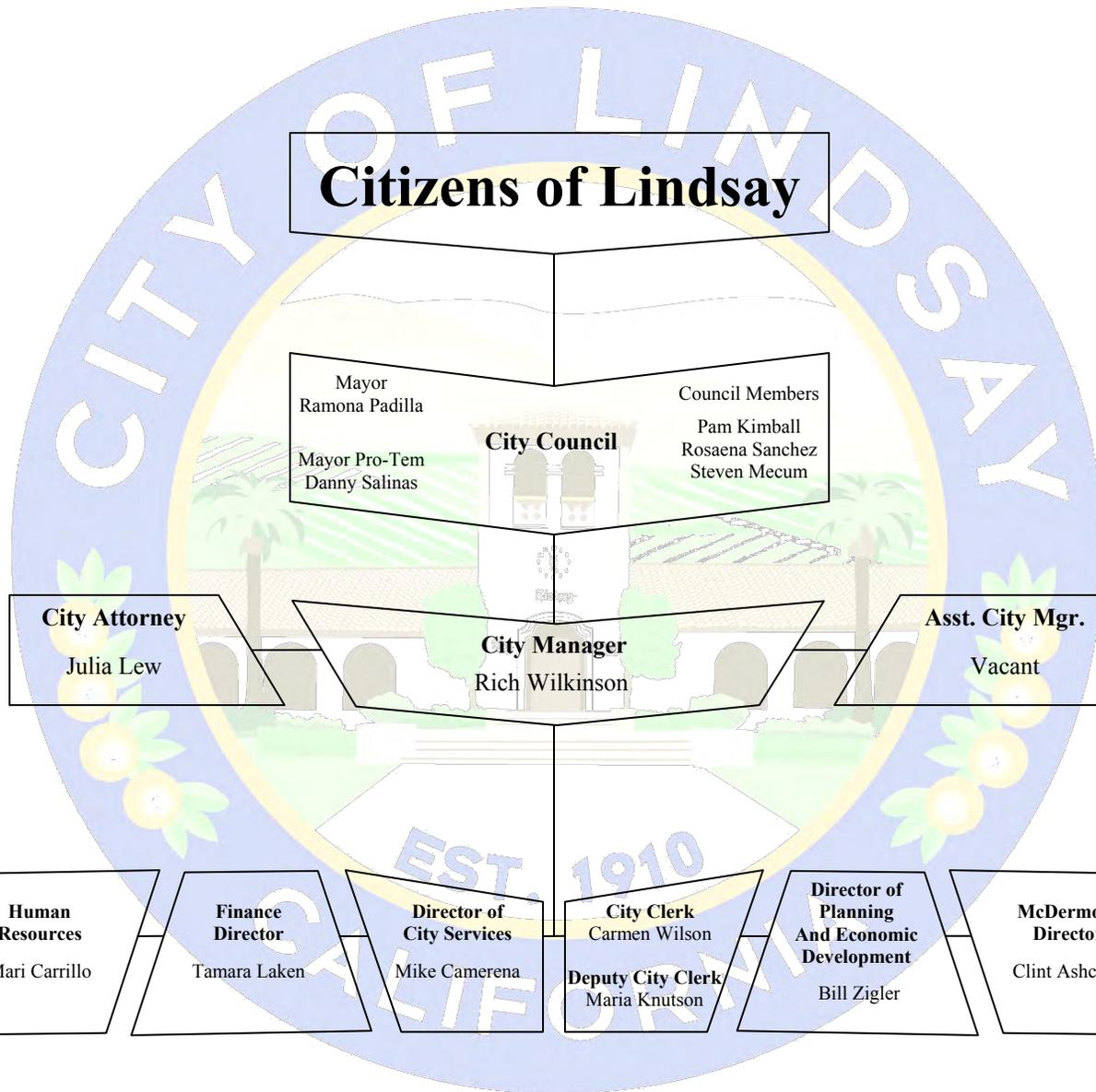
\*ALTERNATE - Valley-Wide Special Selection on SJ Valley Air Board

#### **Council Member Mecum**

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Tulare Co. Economic Development Corporation/BIZ

\*ALTERNATE - Consolidated Waste Management



## POPULATION



Total Population	11,768
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### Population by Race:

White	6,480
African American	85
Asian	267
American Indian and Alaska Native	128
Native Hawaiian and Pacific Islander	4
Other	4,367
Identified by two or more	437

### Population by Ethnicity

Hispanic or Latino	10,056
Non Hispanic or Latino	1,712

### Major Employers

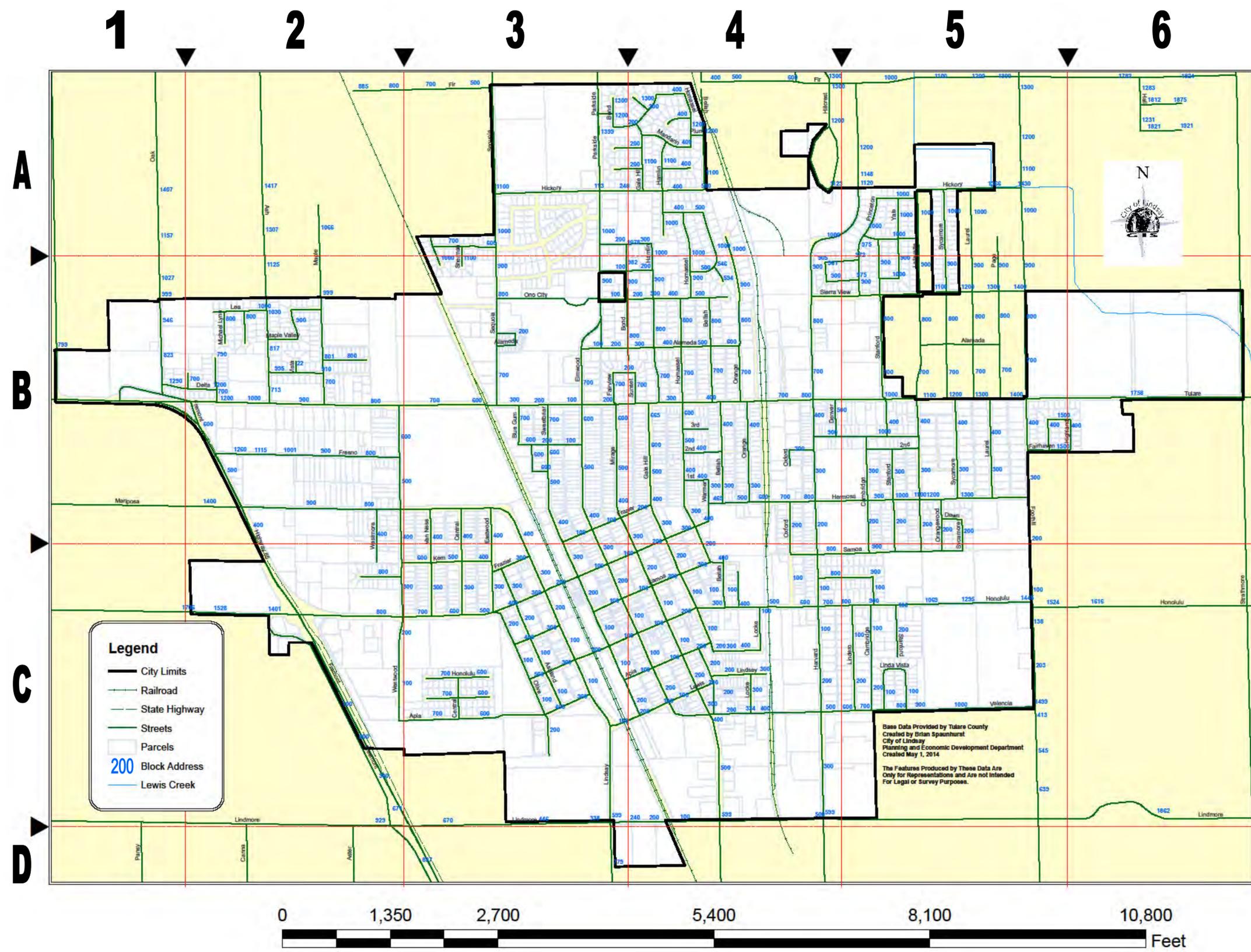
#### Population by Sex/Age

Population by Sex/Age		Company/Organization	Employees	Products/Services
Male	5,923	Citrus Packing Houses (10)	1,800	Agricultural
Female	5,845	Lindsay Unified School District	475	Education
Under 18	4,523	National Diversified Sales	300	Plastic Drainage Mfg
18 & over	7,245	HIT Products	195	Irrigation Equipment
20 - 24	958	Vita-Pakt Citrus Products	150	Fruit Pulp Products
25 - 34	1,617	Champion Home Builders	135	Mobile Home Mfg
35 - 49	2,062	Tulare County	125	County Government
50 - 64	1,248	Lindsay Gardens	104	Skilled Nursing Facility
65 & over	879	Friant Water Users Authority	75	Water District
		Shell Gas/Burger King	69	Fast Food/Gas
		Art's Custom Cabinets	35	Cabinet Mfg



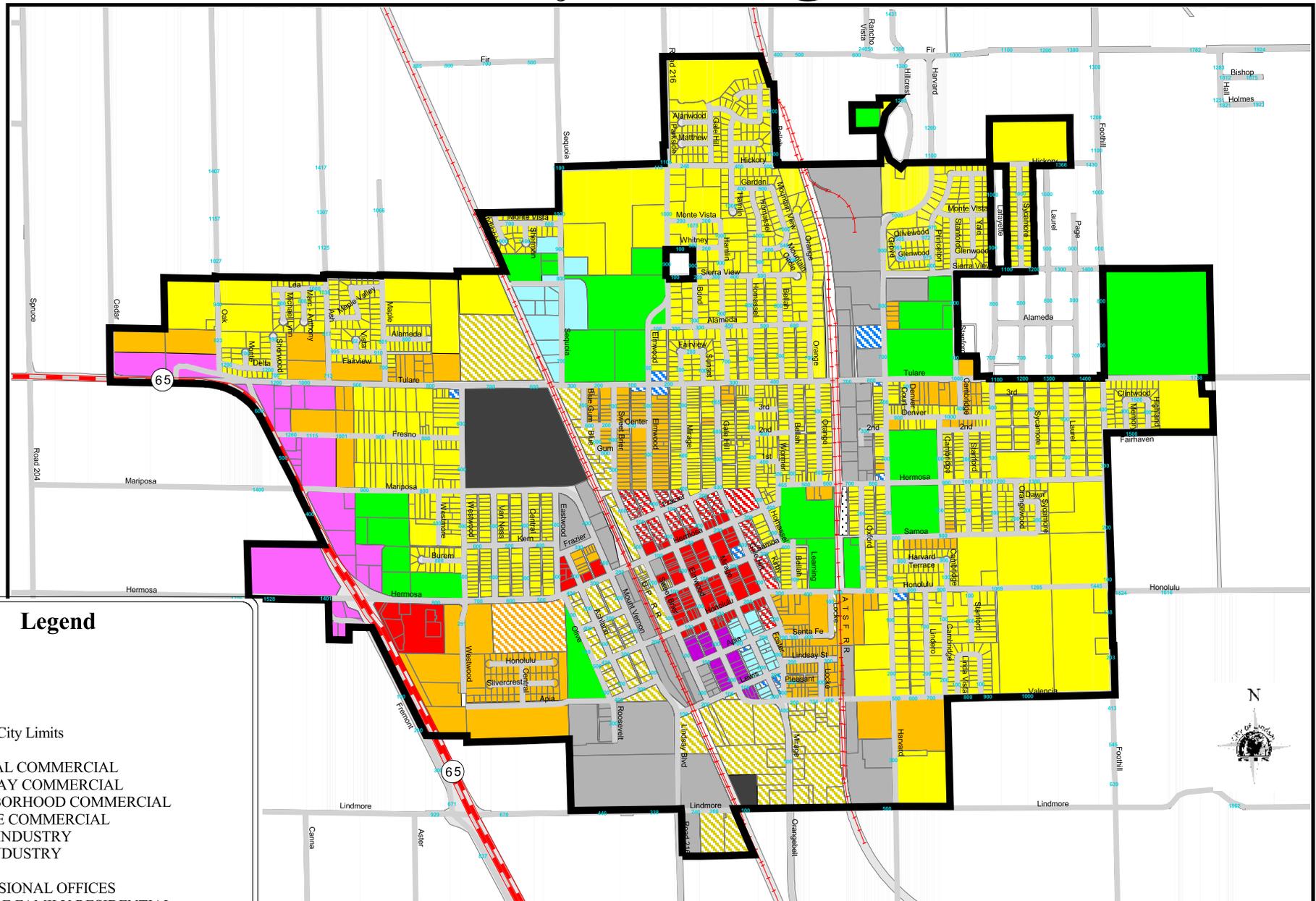
# City of Lindsay

## Street Index



STREET	LOCATION	STREET	LOCATION
1st St	B4	Lindmore St	C1 C2 C3 C4 C5
2nd St	B4 B5	Lindsay Blvd	C3
3rd St	B4 B5	Lindsay St	C4
Alameda St	B2 B3 B4 B5	Locke St	C4
Apia St	C3 C4	Mandarin	A4
Ash Ave	A2 B2	Maple Ave	A2 B2
Ashland Ave	C3	Marc - Anthony Pl	B2
Aster Ave	C2 D2	Mariposa St	B1 B2 B3
Bellah Ave	A4 B4 C4	Matthew Ct	A4
Blue Gum Ave	B3	Memory Ln	B6
Bond Way	A4 B4	Michael Lynn Pl	B2
Burem Ln	C2 C3	Mirage Ave	B4 C4 D4
Cambridge Ave	B5 C5	Monte Cir	B2
Canna Ave	C2 D2	Monte Vista St	A3 A4
Cedar Ave	A1 B1	Mount Vernon Ave	B3 C3
Center St	B3	Mountain Cir	A4 B4
Central Ave	B3 C3	Mountain View Dr	A4
Clintwood Dr	B6	Oak Ave	A1 B1
Cottonwood	A4	Olive Ave	C3
Dawn Ave	B5	Olivewood St	A5
Delta Way	B1 B2	Ono City Pkwy	B3
Denver Ct	B5	Orange Ave	B4
Denver St	B4 B5	Orangebelt Dr	D4
Eastwood Ave	B3 C3	Orangewood Ave	B5
Elmwood Ave	B3 C3 C4	Oxford Ave	B4 C4
Fairhaven Dr	B5 B6	Page Ave	A5 B5
Fairview Dr	B2 B4	Pansy Ave	C1 D1
Fir St	A2 A3 A4 A5 A6	Parkside Ave	A3 B3
Foothill Ave	A5 B5 C5 C6 D6	Pleasant St	C4
Foster Ave	C4	Plum	A4
Frazier St	B3 B4 C3	Princeton Ave	A5 B5
Fremont Dr	C2 D2	Rancho Vista Ave	A4
Fresno St	B2 B3	Road 216	A3 C3 D3
Gale Hill Ave	B4 C4	Roosevelt Ave	C3
Garden Ave	A4	Rosewood	A3 A4
Glenwood St	B5	Samoa St	B5 C3 C4
Grove Ln	B5	Santa Fe Ave	C4
Hamlin Way	A4 B4	Sequoia Ave	A3 B3
Harvard Ave	A4 A5 B4 C4 D4	Sherman Ct	A3
Harvard Ter	C4 C5	Sherwood Pl	B2
Hermosa St	B4 B5 C1 C2 C3	Sierra View St	B3 B4 B5
Hickory St	A3 A4 A5	Sindlinger Ct	A3
Highland Dr	B6	Stanford Ave	B5 C5
Hillcrest Dr	A4 A5	State Hwy 65	B1 B2 C2 C3 D3
Homassel Ave	A4 B4 C4	Sunset Dr	B4
Honolulu St	C3 C4 C5 C6	Sweet Brier Ave	B3 C3 C4
Kern St	C3	Sycamore Ave	A5 B5
Kirby Ct	C4	Tulare Rd	B1 B2 B3 B4 B5
Lafayette Ave	A5 B5	Valencia St	C4 C5
Laurel Ave	A5 B5	Van Ness Ave	B3 C3
Lea Way	B2	Vista Cir	B2
Learning Ln	C4	Westmore Ct	B2 C2
Lewis St	C3 C4	Westwood Ave	B3 C3 D3
Linda Vista Dr	C5	Whitney St	A3 A4
Lindero Ave	C5	Wormer Ct	B4
		Yale Ave	A5 B5

# Lindsay Zoning

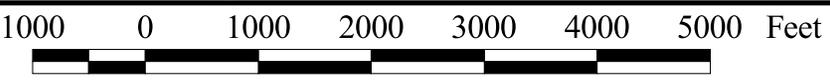


**Legend**

- 200 Block Address
- City Limits
- Railroad
- State Highway
- Street
- Parcel Within City Limits

**Zoning**

- (CC) CENTRAL COMMERCIAL
- (CH) HIGHWAY COMMERCIAL
- (CN) NEIGHBORHOOD COMMERCIAL
- (CS) SERVICE COMMERCIAL
- (IH) HEAVY INDUSTRY
- (IL) LIGHT INDUSTRY
- MIXED-USE
- (PO) PROFESSIONAL OFFICES
- (R-1-7) SINGLE FAMILY RESIDENTIAL
- (RCO) RESOURCE, CONSERV. & OPEN SPACE
- (RM-1.5) OFFICE/HIGH DENSITY
- (RM-3) MULTI-FAMILY RESIDENTIAL
- (RM-MH8) MULTI-FAMILY RESIDENTIAL
- UNKNOWN
- Tulare County
- Right of Way



Base Data Provided by Tulare County  
 Created by William Zigler  
 Community Development Department  
 Printed July 19, 2010

The Features Produced by These Data Are  
 Only Representations and Are Not Intended  
 for Legal or Survey Purposes.

# History of Lindsay

When Thomas Orton, an emigrant from England, landed in Boston harbor in 1635, he had little idea that one of his descendants would be planting the first of many orange trees some seven generations and 245 years later, in Lindsay, California, 3,000 miles to the west.

Julius Orton, a seventh generation descendant of Thomas, was born in Ohio in 1825. The family moved to Missouri in 1838. Julius enlisted as a teamster in the U. S. Army when the war with Mexico began in 1846, then serve as a guard for a pack train crossing the plains for Placerville, a booming California gold mining town.

Finding no gold, Julius moved to Soquel, a lumber town near Santa Cruz, where he worked as a laborer and eventually developed his own herd of cattle. In 1859, accompanied by his wife and two small daughters, and driving a small herd of cattle, he walked more than 200 miles from the coast to a homestead along the Tule River southwest of Lindsay.

Julius Orton became a part of Lindsay history in the 1880's when he took up a second 160 acre homestead on land adjacent to the property of Lewis and John Keeley, brothers who had homesteaded a few miles southwest of Lindsay in the mid 1870's.

The "meat" of all this is that Julius Orton is credited with planting the first orange trees in the Lindsay district on his homestead, giving rise to the motto, "Central California's Citrus Center."

The Ortons and Keeleys were not the only pioneers in the district. Members of the Yandanche Indian tribe had for centuries come into the valley by way of Lewis Creek canyon to hunt and fish. Captain John Fremont passed by the site of Lindsay twice on exploration trips, following what later became the Butterfield Stage route.

John J. Cairns, a Scotsman by birth, came to the Lindsay area in 1881. His first venture was as a sheep rancher, followed by cattle, then as a grower of 22,000 acres of grain in Tulare and northern Kern counties. He also was credited with development of water wells which encouraged the further development of citrus acreage. The Cairns homestead property and citrus orchard, bordered by century-old olive trees, still exists at Cairns Corner west of Lindsay.

Capt. Arthur J. Hutchinson, known as the founder of the city of Lindsay, came to the area in 1889. He was born in Bermuda, where his father was assigned by the British government and served for a time as governor. Capt. Hutchinson was a Royal Military College graduate and served in India until 1879, when illness forced his retirement. Coming to California for his health, he moved to the Lindsay area, bought 2,000 acres and formed the Lindsay Land Company.



When the Southern Pacific Railroad came through the area in 1889, development of the Lindsay townsite began under the Pacific Development Company.

Early view from the railroad track on Sweetbrier. This photo shows the first Baptist Church and the first Washington School. Taken in 1905.

The townsite was laid out by Capt. Hutchinson and the community was named for his wife, Sadie Lindsay Patton Hutchinson.

Stockton Berry migrated to the area about the same time as Capt. Hutchinson and farmed several thousand acres of grain, grapes and oranges to the northeast of Lindsay.



G.S. Berry and the first self propelled harvester around 1885. It used the stalks of the wheat for fuel. The chance of fire was great as the sparks could ignite entire fields of grain, before it was harvested.

In addition to farming, Stockton Berry invented the first tractor drawn grain harvester, revolutionizing the industry. He also developed an efficient method for using electric motors and power for drilling wells and pumping water.

The advent of the 20th century saw an increase of population in the area. Jobs were available in the increased orange and olive plantings. Many others worked in timber and mining operations in the mountains to the east. By 1905, approximately 700 acres of oranges had been planted in the district, but only a few were in full bearing.



The increase in population which followed the arrival of the railroad included many persons interested in development of a town site.

The Southern Pacific Depot was located on Sweetbrier. The train was a much-used means of travel for Lindsay residents and relatives. This group of travelers was captured on film in the 1920s.

Excursion trains from southern California arrived every few weeks carrying people interested in settling in the Lindsay area. This influx of people sparked the development of some 75,000 acres of land by 1910, along with packing houses to process the agricultural products.

The Lindsay Chamber of Commerce was organized in 1908 with G. B. Moore, a food market owner, as first president. Its first project was to promote the incorporation of the City of Lindsay on February 28, 1910, with some 700 residents within the city limits.



Citizens were eager to develop their community and its economy. In 1911, a bond issue of \$130,000 was approved to develop a water system and construct a sewer system.

Honolulu Street, looking west about 1908. It would be a few years before curbs, gutters, and paving would make "going to town" a cleaner experience.

By 1916, there were 23 blocks of paved streets and the population rose to 3,000. There were four schools, nine churches and numerous social clubs. There were 115 members in the Tuesday Club (later to become the Lindsay Women's Club), which constructed the arboretum at the southwest corner of Mirage and Hermosa, now occupied by a church. The economy in 1916 was also robust. Stores with a full complement of merchandise lined the downtown streets.



W. A. Morley had the first Ford dealership in Lindsay. This wonderful old building and garage was at the corner of South Elmwood and Apia.

Citrus growers sent 3,186 cars to market, up from the 556 cars in 1910, and 14 large packing houses employed 1,500 workers. The three banks recorded gross resources of \$1,320,000.

But there was trouble ahead. Foothill area irrigation wells began to show signs of salt. The Lindsay-Strathmore Irrigation District began to import water from wells it owned in the Kaweah River Delta. The Tulare Irrigation District and other Delta interests in 1916 filed a lawsuit which was in the courts for 20 years, and which was not compromised until 1936 only after the advent of the Central Valley Project which brought water to the district in the Friant-Kern Canal. In celebration of the settlement, the members of the California State Supreme Court visited Lindsay for the celebration.

## **Guide to the Document**

A budget serves many purposes. It is the City's annual financing and spending plan, providing a means for allocating resources to meet the needs and desires of the residents of the City. The budget balances City revenues with community priorities and requirements. The budget serves as a communications device, a policy document, resource allocation tool, an accountability tool and a management tool. The budget document grants spending authority to City staff, as well as providing the spending plan for the City of Lindsay. The budget document provides a snapshot of the financial health and community priorities of the City of Lindsay.

### **Document Organization**

#### **Budge Overview**

The City Manager's Budget Message summarizes the budget by outlining major programs in progress, critical issues and challenges for fiscal year 2014-2015, as well as accomplishments of the prior year. The budget overview also summarizes the financial components of the City, including revenue trends and significant new expenditures or accounting and reporting changes that may have been made in our on-going effort to improve the budget document in terms of ease-of-use, understandability, and transparency for our citizens and others who may be interested in living and/or starting a business in Lindsay.

#### **Strategic Plan**

The City Manager meets with Department Heads weekly to ensure all administrative staff is kept informed of city projects, concerns, etc and that the goals and priorities, as expressed by Council, are being addressed. Once the public participation survey and priority study session were completed, a strategic plan was developed. This section presents the plan and reviews the accomplishments of the prior year, and projects to be undertaken in the current and subsequent years.

#### **Summary Information**

This section of the budget contains summary information about the structure of the City Government. It includes a citywide organization chart, summary financial tables and staffing levels for the budget year.

## **Guide to the Document**

### **General Fund**

The accounts of the City are organized on the basis of funds and account groups. These funds and account groups are organized in order to segregate and account for restricted resources. Each fund and account group is a separate accounting entity. The General Fund is the primary revenue source for most services cities typically offer; these include public safety (police and fire), street maintenance, parks and recreation, and neighborhood and community services.

### **Other Funds**

The other funds section contains non-General Fund sources of revenues. These funds are grouped into Special Revenue Funds, Capital Funds, and Enterprise Funds. Each fund type is described in this section and a financial summary is provided for each.

### **Departmental Detail**

Each Department is presented and provides the following information:

- Description of Department, Responsibilities and Services
- Budget Year projects
- Source of Revenue
- Expenditure Summary
- Major Budget changes
- Staffing

### **Staffing**

This section contains a list of all authorized positions for the City by department and provides historical staffing information.

### **Policies**

This section contains budget policies and procedures adopted by the City Council.

### **Capital Improvement Plan**

The capital improvement projects scheduled for funding in the budget year are summarized in this section. The

## **Guide to the Document**

Capital Improvements budgets for the budget year are included in the Department and Capital Fund sections to present a comprehensive view of all funds of the City and the source of funds allocated to Capital Improvement. This section includes the City's 5-Year Capital Improvement plan as developed by staff with prioritization input from Council during the budget study session.

### **Long Term Financial Forecasting**

Long term financial forecasting is an important tool for the City to use in developing programs and project schedules. This section will include the status of the City's five-year forecast.

# PERSONNEL

## Classification & Salary Schedule

07/01/2014 - 06/30/2015

<u>Classification</u>	<u>Range</u>						
	1	2	3	4	5	6	7
**Team Member I	1,560	1,638	1,720	1,806	1,896	1,991	2,091
Finance Clerk	1,782	1,871	1,965	2,063	2,166	2,274	2,388
Team Member II	2,001	2,101	2,206	2,316	2,432	2,554	2,682
Secretary 1	2,014	2,115	2,220	2,331	2,448	2,570	2,699
Maintenance	2,106	2,211	2,322	2,438	2,560	2,688	2,822
Account Clerk I	2,106	2,211	2,322	2,438	2,560	2,688	2,822
Account Clerk II	2,210	2,321	2,437	2,558	2,686	2,821	2,962
Recreation Coordinator	2,274	2,388	2,507	2,632	2,764	2,902	3,047
Administrative Secretary	2,401	2,521	2,647	2,779	2,918	3,064	3,218
Dispatcher	2,321	2,437	2,559	2,687	2,821	2,962	3,110
Com. Dev. Specialist I	2,333	2,450	2,572	2,701	2,836	2,978	3,126
Maintenance, Senior I	2,333	2,450	2,572	2,701	2,836	2,978	3,126
Wastewater Treat. Plant Oper. II	2,396	2,516	2,642	2,774	2,912	3,058	3,211
Com. Dev. Specialist II	2,520	2,646	2,778	2,917	3,063	3,216	3,377
Team Member III	2,815	2,956	3,104	3,259	3,422	3,593	3,772
Senior Mechanic	2,846	2,988	3,138	3,295	3,459	3,632	3,814
Maintenance Senior II	2,977	3,126	3,282	3,446	3,619	3,799	3,989
Foreman/Crew Foreman	2,449	2,571	2,700	2,835	2,977	3,126	3,282
Account Clerk III	2,992	3,142	3,299	3,464	3,637	3,819	4,010
**Code Enf/Evidence/Animal Cntrl	3,502	3,677	3,861	4,054	4,257	4,470	4,693
Public Safety Officer	3,618	3,799	3,989	4,188	4,398	4,618	4,848
Maintenance Senior III	3,726	3,912	4,108	4,313	4,529	4,755	4,993
City Planner Assistant	3,838	4,030	4,231	4,443	4,665	4,898	5,143
Associate Engineer	4,333	4,550	4,777	5,016	5,267	5,530	5,807
Public Safety Sergeant	4,412	4,633	4,864	5,107	5,363	5,631	5,913

### Department Heads

Wellness Center Director	4,051
Planning & Economic Development Director	5,687
McDermont Field House Director	6,500
Finance Director	7,620
City Services Director	7,998
City Manager / Director of Public Safety	12,419

### Exempt & Supervisorial Staff

**Assistant City Manager	3,916
**Management Analyst	3,126
Department Manager	3,782
Administrative Supervisor	3,820
Human Resource Manager	4,021
Administrative Assistant	4,271
Public Safety Lieutenant	7,671

### NOTES:

All employees in the Department Head and Exempt Categories are considered "At-Will" employees that are not covered by any Bargaining Unit MOU and are not eligible for any benefits listed therein - each employee is contracted separately. Admin & Exempt Staff due COLA July 1, 2013, per contract, are denied any increase for another year; WC Director increased 5%

\*\* Indicates Reclassification of existing position: Community Services Officer (vacant) was reclassified to Code Enforcement - new FTE for FY15

\*\* Assistant City Manager (vacant) reclassified from Department Head pay schedule to Exempt & Supervisor Pay Schedule - new FTE for FY15

\*\* Account Clerk I position finance (current FTE) reclassified to Management Analyst Exempt Schedule - new recruitment/not new staff

\*\* Public Safety COLA of 1.5% for sworn positions and added position result of reallocation of Lt. salary as staffing reduced from 2 lieutenants to 1 - reduction of 1 FTE

\*\* Team Member I rate reflects the minimum wage increase effective July 1, 2014 to \$9.00/hour

6/17/2014

**ANNUAL SALARY ALLOCATION  
FY 2014-15**

By Percentage to Funds

	GENFUND	WATER	SEWER	REFUSE	GAS TAX	TRANSPORTATION MCDERMONT	AQUATIC WELLNESS	RDA SUCCESSOR	ASSESSMNT DISTRICT	TOTAL
WILKINSON, R - CM/PD	53%	5%	5%	2%	15%	9%	5%	5%	1%	100%
KNUTSON, M - CM/CC	56%	8%	5%		8%	5%	5%	10%	3%	100%
WILSON - CC/PL	85%	5%	5%	5%						100%
ANDRADE - FIN	10%	60%	25%	5%						100%
JENSEN, Y - FIN	5%	50%	15%	20%		10%				100%
LAKEN - FIN/HR	30%	10%	4%	3%	17%	19%	5%	10%	2%	100%
PEREZ, S - FIN/HR	35%	20%	20%	10%		10%	5%			100%
WILKINSON, M - FIN	38%	15%	8%	8%	13%	18%				100%
Mangement Analyst - FIN	40%	10%	5%	5%	5%	30%	5%			100%
AMEZCUA - CS	62%	10%	5%	0%	20%				3%	100%
Contracted PT Bldg Insp	60%	20%	10%		10%					100%
CAMARENA - CS	43%	17%	15%	3%	20%				2%	100%
DE LE FUENTE - CS	5%	45%	30%	20%						100%
MESEDHAL- CS/CD	67%	5%	5%	12%	6%				5%	100%
CARRILLO, M - HR/PD	90%					10%				100%
ZIGLER - PL	80%	5%	2%		8%			5%		100%
SPAUNHURST - PL	80%	10%			10%					100%
SCHLAUDT, C - Grants	100%									100%
MCDERMONT STAFF						100%				100%
ARROYO, M						25%	75%			100%
AQUATIC/WELLNESS							100%			100%
LUSD AFS Sports						100%				100%
AVINA	70%	5%	5%	5%	10%		5%			100%
CEBELLOS - CS	60%	25%						15%		100%
MAINT 1 - CS (vacant)	75%								25%	100%
MAINT 1 - CS (vacant)	75%								25%	100%
GOMEZ - CS		25%	75%							100%
MAINT 1 - CS (vacant)	75%								25%	100%
OLMOS -CS		70%	30%							100%
RIOS - CS	80%								20%	100%
SAENZ CS		35%	45%						20%	100%
SILVA -CS		55%	45%							100%
OROSCO PT - CS		50%	50%							100%

**NOTE:** VitaPak Land Application is included in the Assessment District Column

**LEGEND:**

- CC= City Clerk
- CM = City Manager
- CS = City Services
- PL = Planning & Economic Development
- CE = Code Enforcement
- FIN = Finance Department
- HR = Human Resources
- IT= Information Technology
- PD = Public Safety Department
- FTE = Full Time Equivalent

(6/16/2014)

*(FullTime is 2080 hours per fiscal year - FTE = allocation of all employees in a single fund added together to total FTE)*

	TRANSPORTATION					AQUATIC		ASSESSMNT		TOTAL
	GENFUND	WATER	SEWER	REFUSE	GAS TAX	MCDERMONT	WELLNESS	HOUSING	DISTRICT	
<b>Public Safety Dept</b>										
LT. HUGHES	100%									100%
ADMIN LT - VACANT	100%									0%
ANDRADE, V - Dispatch	100%									100%
ALCANTAR	100%									100%
CAVASOS - VET2COP	100%									100%
CODE ENF/EVIDENCE/A	100%									100%
SGT GARCIA, G - SRO	75%					25%				100%
SGT. HEINKS	100%									100%
HIGGINBOTHOM	100%									100%
HINOJOS	100%									100%
LOFTIN, A	100%									100%
LOPEZ, J - Dispatch	100%									100%
SGT. N. NAVE	100%									100%
A. NAVE	100%									100%
MENDEZ	100%									100%
MCMILLAN, M	100%									100%
MORENO	100%									100%
ROBINSON	100%									100%
PEREZ	100%									100%
ROMERO	100%									100%
RILEY. K	100%									100%
SGT. TRISTAO	100%									100%
VACANT-NOT BUDGETE	100%									100%
VACANT-NOT BUDGETE	100%									100%
VACANT-NOT BUDGETE	100%									100%

*(FullTime is 2080 hours per fiscal year - FTE = allocation of all employees in a single fund added together to total FTE)*

	TRANSPORTATION					AQUATIC		ASSESSMNT		TOTAL
	GENFUND	WATER	SEWER	REFUSE	GAS TAX	MCDERMONT	WELLNESS	HOUSING	DISTRICT	
FTE - MISC	38.49%	5.60%	4.09%	0.98%	1.42%	3.36%	2.05%	0.45%	1.31%	57.75%
PT						41.06%				41.06%
SEASONAL						6.25%	11.69%			17.94%
TOTALS	38.49%	5.60%	4.09%	0.98%	1.42%	50.67%	13.74%	0.45%	1.31%	116.75%

<b>FY13 Total FTE by Fund</b>	<b>35.68</b>	<b>4.8</b>	<b>4.23</b>	<b>0.62</b>	<b>2.45</b>	<b>57.35</b>	<b>15.19</b>	<b>0.2</b>	<b>0.98</b>	<b>121.50</b>
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<b>FY14 Total FTE by Fund</b>	<b>37.86</b>	<b>5.4</b>	<b>3.62</b>	<b>0.98</b>	<b>1.67</b>	<b>51.17</b>	<b>12.99</b>	<b>0.75</b>	<b>1.31</b>	<b>115.75</b>
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<b>FY15 Total FTE by Fund</b>	<b>38.49</b>	<b>5.6</b>	<b>4.09</b>	<b>0.98</b>	<b>1.42</b>	<b>50.67</b>	<b>13.74</b>	<b>0.45</b>	<b>1.31</b>	<b>116.75</b>
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Staffing Changes for FY15:

**Add:** Management Analyst  
Code Enforcement et al Officer

**Suspend:** Lieutenant  
Account Clerk I  
ASSETS Director

**Delete:** Community Services Officer

**Fund:** Assistant City Manager  
Full-time LG for Wellness Center

Note: Management Analyst replaces AC1, Code Enf replaces LT in the FTE count; ASSETS Grant not funded, FTE suspended; Fund 2 FTE over PY.

**Annual Budget - City of Lindsay**

**STAFFING LEVELS**

**Fiscal Year 2014-2015**

**FULL-TIME EMPLOYEES**

<b>City Manager</b>	<u>Authorized</u>	<u>Funded</u>	<u>Total</u>
City Manager	1	0.5	0.5
Assistant City Manager	1	1	1
Administrative Assistant/Deputy City Clerk	1	1	1
Human Resource Manager	1	0.5	0.5
Total	<u>4</u>	<u>3</u>	<u>3</u>

<b>Finance</b>			
Director of Finance	1	1	1
Management Analyst	1	1	1
Account Clerk III	2	2	2
Account Clerk II	2	1	1
Account Clerk I	1	0	0
Finance Clerk	1	0	0
Housing Specialist	1	1	1
Total	<u>9</u>	<u>6</u>	<u>6</u>

<b>Planning &amp; Economic Development</b>			
Director of Planning & Economic Development	1	1	1
Planning Intern	1	1	1
Administrative Secretary/City Clerk	1	1	1
Total	<u>3</u>	<u>3</u>	<u>3</u>

<b>City Services</b>			
Director of City Services	1	1	1
Associate Engineer	1	1	1
Account Clerk I	1	1	1
Community Development Specialist II	1	1	1
Administrative Supervisor	1	1	1
Senior Maintenance II	1	1	1
Senior Maintenance	2	2	2
Maintenance	5	5	5
Total	<u>13</u>	<u>13</u>	<u>13</u>

<b>Public Safety</b>			
Director of Public Safety	1	0.5	0.5
Lieutenant	2	1	1
Sergeant	4	4	4
Officers	16	13	13
Dispatch / Records	2	2	2
Dispatch / Records Supervisor	1	0.5	0.5
Code Enforcement/Evidence Tech/AC Officer	1	1	1
Total	<u>27</u>	<u>22</u>	<u>22</u>

NOTE: All Public Safety Officers are cross-trained & Certified in both Police and Fire Services

<b>Wellness &amp; Aquatic Center</b>			
Wellness Center Director	1	1	1
Team Member 1 - Reception	1	1	1
Team Member 1 - Lifeguard	1	1	1
Total	<u>3</u>	<u>3</u>	<u>3</u>

## FULL-TIME EMPLOYEES

**McDermont Field House / Recreation**

McDermont Field House Director	1	1	1
Department Manager	1	1	1
Recreation Coordinator	1	1	1
Team Member II	8	8	8
Team Member III	2	2	2
Total	<u>13</u>	<u>16</u>	<u>16</u>

	<u>Authorized</u>	<u>Funded</u>	<u>Total</u>
<b>Total Full-Time Employees</b>	<b>72</b>	<b>66</b>	<b>66</b>

NOTE: Employees in the Part-time/Seasonal Category are hired on an "as-needed" basis and/or work regularly in a PT capacity of less than 30 hours per week.

## PART-TIME / SEASONAL EMPLOYEES

**Police Department**

	<u>Authorized</u>	<u>Funded</u>	<u>Total</u>
Investigations (Vacant)	1	1	0
Dispatcher	1	1	1
Fire Reserve Officer (Volunteer - Non Paid)	2	0	2
Total	<u>4</u>	<u>2</u>	<u>3</u>

**Wellness & Aquatic Center**

Concessions - Admissions	3	3	3
Seasonal Lifeguards/Swim Instructors	10	10	10
Total	<u>13</u>	<u>13</u>	<u>13</u>

**McDermont Field House / Recreation**

Team Member 1	38	38	38
Seasonal Sports Staff	5	5	5
After-School Program Staff	3	3	3
	<u>46</u>	<u>46</u>	<u>46</u>

	<u>Authorized</u>	<u>Funded</u>	<u>Total</u>
<b>Total Part-Time Employees</b>	<b>63</b>	<b>61</b>	<b>62</b>

	<u>Authorized</u>	<u>Funded</u>	<u>Total</u>
<b>Total Combined Employees</b> <i>Includes Seasonal &amp; Part-time</i>	<b>135</b>	<b>127</b>	<b>128</b>

	<u>Authorized</u>	<u>Funded</u>	<u>Total</u>
<b>Total Combined FTE for FY15</b> <i>Includes Consolidation of Permanent Part-time and Seasonal Employees</i>	<b>117.75</b>	<b>117.75</b>	<b>117.75</b>

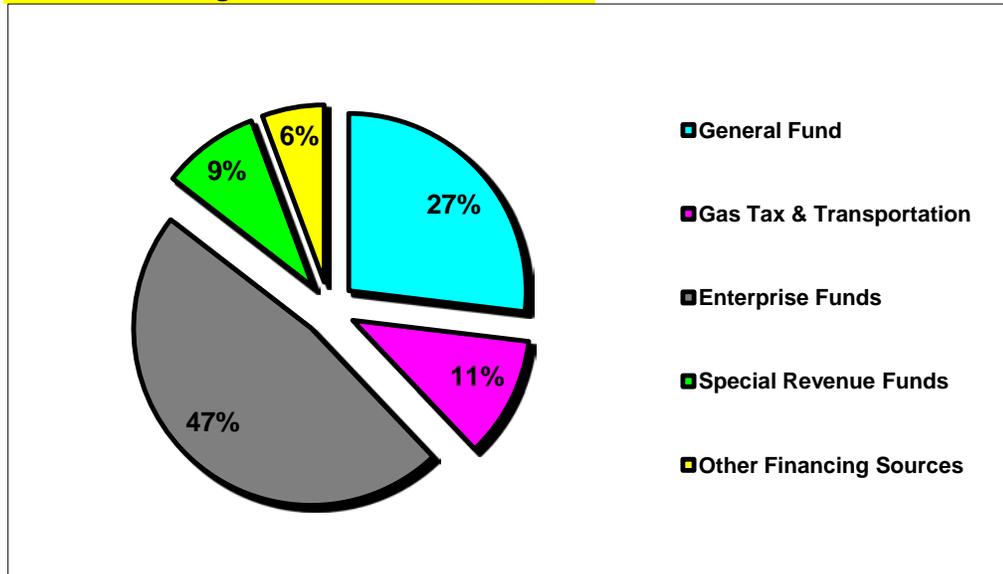
Full-Time Equivalent (FTE) is 2080 hours per fiscal year / Part-time & Seasonal employee hours are added together and divided by the FTE ratio to establish the number of FTE employees; "Authorized" Positions are per the Salary Matrix, "Funded" are per the Approved Fiscal Year Budget, "Total" is number of positions expected to be active in the budgeted fiscal year

# FINANCIAL INFORMATION SUMMARY

## REVENUE SUMMARY

### City of Lindsay 2014-2015 Budget Year

<b>General Fund</b>	<b>\$3,661,475</b>
<b>Gas Tax &amp; Transportation</b>	<b>\$1,499,910</b>
<b>Enterprise Funds</b>	<b>\$6,472,412</b>
<b>Special Revenue Funds</b>	<b>\$1,206,355</b>
<b>Other Financing Sources</b>	<b>\$770,619</b>



**General Fund**

• Property Taxes	\$368,835
• Other Taxes	\$541,337
• Licenses/Permits/Planning Fees	\$167,500
• Money & Property Use	\$75,928
• Intergovernmental	\$869,500
• Other Revenues	\$144,650
• Fines & Forfeitures	\$20,000
• UUT Taxes	\$830,000
• Retail Sales Tax	\$541,000
• Business License Fees	\$62,500
• Transient Occupancy Tax	\$40,225
	<b>\$3,661,475</b>

**Gas Tax & Transportation**

• Gas Tax Revenue	325,090
• Transportation Revenue	1,064,820
• Surface Transportation Revenue	110,000
	<b>\$1,499,910</b>

**Enterprise Funds**

• McDermont Field House	2,492,483
• Wellness & Aquatic Center	480,801
• Water	1,413,543
• Sewer	1,121,500
• Refuse	964,085
	<b>\$6,472,412</b>

**Special Revenue Funds**

• Assessment Districts	76,698
• Land Application	74,165
• Curb & Gutter	9,000
• Street Improvement Fund-FY15 REV	1,046,492
	<b>\$1,206,355</b>

**Other Financing Sources:**

• Fund Balance - General Fund	491,115
• Fund Balance - Sewer	74,218
• Waste Water Capital Reserve	72,782
• Street Improvement Fund Balance	132,504
	<b>\$770,619</b>

*Program Income from RLFs is not included in the operating REV as it is not available for operational expense*

**Total Revenue Summary                    \$13,610,771**

**FY 15 REVENUE SUMMARY**

Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
<b>General Fund</b>						
Property Taxes	336,004	333,643	381,640	375,689	321,488	368,835
Other Taxes	1,530,719	1,874,861	1,728,407	1,657,535	1,332,990	1,711,175
Licenses & Permits	674,290	165,256	176,829	161,500	134,335	167,500
Money & Property Use	38,173	104,607	54,913	61,750	53,733	75,928
Intergovernmental	909,793	967,988	877,154	871,500	870,964	869,500
Other Revenues	138,142	196,013	332,099	202,500	167,556	364,278
Restricted General Fund	1,445,311	1,203,728	1,334,676	267,730	247,687	323,887
<b>Sub-total Gen Fund</b>	<b>5,072,432</b>	<b>4,846,096</b>	<b>4,885,718</b>	<b>3,598,204</b>	<b>3,128,753</b>	<b>3,881,103</b>
<b>Use of Fund Balance</b>						<b>491,115</b>
<b>Total General Fund</b>	<b>5,072,432</b>	<b>4,846,096</b>	<b>4,885,718</b>	<b>3,598,204</b>	<b>3,128,753</b>	<b>4,372,218</b>

*\*Restricted General Fund included Street Improvement Funds which are now accounted for in an ISF Fund to maintain a proper Fund Balance for Street Project projection purposes.*

<b>Enterprise Funds</b>						
McDermont Field House	3,352,204	2,276,822	1,957,523	2,509,986	1,674,478	2,492,483
Wellness Center	823,070	840,513	389,955	470,116	411,626	480,801
Water	1,954,731	1,815,599	2,127,802	1,794,968	1,219,186	1,413,543
Sewer	1,701,575	1,472,274	1,500,474	1,497,386	930,585	1,277,500
Refuse	1,237,585	1,199,166	1,161,286	1,190,798	731,497	964,085
<b>Sub-total Enterprise Funds</b>	<b>9,069,165</b>	<b>7,604,374</b>	<b>7,137,040</b>	<b>7,463,254</b>	<b>4,967,372</b>	<b>6,628,412</b>

<b>Gas Tax &amp; Transportation</b>						
Gas Tax	316,169	339,155	289,967	321,695	253,933	325,090
Transportation	880,136	173,469	475,258	417,015	663,669	1,064,820
STP	87,779	104,688	108,360	105,210	119,448	110,000
<b>Sub-total Restricted Funds</b>	<b>1,284,084</b>	<b>617,312</b>	<b>873,585</b>	<b>843,920</b>	<b>1,037,050</b>	<b>1,499,910</b>

<b>Special Revenue Funds</b>						
Assessment Districts	58,770	42,385	60,672	70,561	57,159	76,698
Land Application	108,411	82,440	51,628	71,504	28,669	74,165
<b>Sub-total Special Revenue</b>	<b>167,181</b>	<b>124,825</b>	<b>112,300</b>	<b>142,065</b>	<b>85,828</b>	<b>150,863</b>

<b>Internal Service Fund (ISF)</b>						
Street Improvement Fund				1,068,009	958,869	959,368
<b>Sub-total ISF Funds</b>			<b>112,300</b>	<b>1,210,074</b>	<b>1,044,697</b>	<b>959,368</b>

*\*Allocation for Streets is already counted in General Fund "Other Revenues"*

<b>Combined Totals</b>	<b>15,592,862</b>	<b>13,192,607</b>	<b>13,120,943</b>	<b>13,257,517</b>	<b>10,263,700</b>	<b>13,610,771</b>
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## REVENUES

FUND: 101 - GENERAL FUND

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
<u>Property Taxes</u>							
301-010	Current Secured	312,791	307,114	298,909	313,256	267,176	305,115
302-020	Current Unsecured	21,385	23,255	23,175	23,720	14,777	23,720
308-080	Misc. Other Prop Tax	1,828	3,274	59,557	38,713	39,535	40,000
	<b>Total Property Tax</b>	<b>336,004</b>	<b>333,643</b>	<b>381,640</b>	<b>375,689</b>	<b>321,488</b>	<b>368,835</b>
<u>Other Taxes</u>							
311-010	Sales Tax	456,060	523,892	645,027	495,000	399,059	541,000
312-020	Franchise Fees	59,265	284,832	91,660	90,000	92,747	93,000
301-011	ERAF S&U Tax	137,127	180,092	192,160	192,160	201,769	205,000
313-030	Property Transfer	15,088	4,808	-	4,500	1,470	1,500
315-050	Transient Occupancy Tx	20,188	60,952	39,662	40,225	22,900	40,225
309-090	Utility Users Tax	842,600	819,390	759,348	835,000	614,884	830,000
323-030	Dog License	390	895	550	650	160	450
	<b>Total Other Taxes</b>	<b>1,530,719</b>	<b>1,874,861</b>	<b>1,728,407</b>	<b>1,657,535</b>	<b>1,332,990</b>	<b>1,711,175</b>
<u>Licenses &amp; Permits</u>							
324-040	Building Permits	565,450	49,757	94,684	85,000	74,997	95,000
316-060	Business Licenses	62,787	73,837	50,895	62,500	56,300	62,500
354-040	Other Fines&Forfeitures	27,770	27,947	26,203	1,500	3,038	5,000
316-062	Other Misc Services	18,283	13,715	5,047	12,500		5,000
	<b>Total Licenses &amp; Permits</b>	<b>674,290</b>	<b>165,256</b>	<b>176,829</b>	<b>161,500</b>	<b>134,335</b>	<b>167,500</b>
<u>Money &amp; Property Use</u>							
360-010	Interest	6,301	93	484	750	0	750
363-030	Rent-City Facilities Gen	11,237	65,364	12,959	15,000	10,104	15,000
363-035	Commercial Rents	8,635	14,150	15,370	17,500	8,950	15,500
347-050	Friday Night Market Use	12,000	25,000	26,100	28,500	34,678	44,678
	<b>Total Money&amp;Property Use</b>	<b>38,173</b>	<b>104,607</b>	<b>54,913</b>	<b>61,750</b>	<b>53,733</b>	<b>75,928</b>
	<b>Page Totals</b>	<b>2,579,186</b>	<b>2,478,368</b>	<b>2,341,789</b>	<b>2,256,474</b>	<b>1,842,546</b>	<b>2,323,438</b>

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
<b>Intergovernmental</b>							
335-060	Motor Vehicle Lic Fee	47,929	12,232	-	-	5,251	-
354-060	Vehicle Abatement	3,186	3,406	7,459	6,500	2,360	4,500
335-061	Property Tax VLF	858,679	870,968	867,696	865,000	863,354	865,000
<b>Total Intergovernmental</b>		<b>909,793</b>	<b>886,606</b>	<b>875,155</b>	<b>871,500</b>	<b>870,964</b>	<b>869,500</b>
<b>Other Revenues</b>							
345-060	Sale of Real Property	0			50,000	74,108	20,000
365-050	Sale of Surplus Prop	40,360	19,238	10,080	40,000	6,450	10,000
341-010	Zoning & Planning Fees	6,458	29,873	53,512	35,000	29,339	35,000
369-400	Refunds & Rebates	57,266	117,745	170,289	55,000	36,545	55,000
369-091	Vehicle Sign Off	14,157	14,955	12,100	12,500	8,960	12,500
342-010	Other Police Services	19,900	14,202	10,622	10,000	12,153	12,150
369-300	Grants			75,496			
390-100	Transfer-In SIP Fund-Streets						219,628
<b>Total Other Revenues</b>		<b>138,142</b>	<b>196,013</b>	<b>332,099</b>	<b>202,500</b>	<b>167,556</b>	<b>364,278</b>
<b>Restricted General Fund</b>							
351-010	Public Safety Fines/Revenue	6,806	30,360	28,442	20,000	17,780	20,000
351-020	Pub Safety 1/2 Cent Fund	37,253	31,326	42,883	35,000	37,604	38,500
351-030	COPS SLESF	116,258	100,000	100,206	100,000	66,436	100,000
335-088	INET Reimbursement	65,631	75,337	52,371	75,000	47,832	-
369-093	Homeland Security		11,002	3,192			
337-120	Youth Services - LUSD					29,500	70,000
335-090	POST Reimbursement	3,599	3,134	19,425		1,694	3,500
312-030	Street Franchise Fees	1,146,200	882,091	1,071,469	1,068,009		-
330-104	DOJ Cops-in-School	25,903	70,478		-	8,934	-
390-100	PI Waiver SRO Officer				50,000		-
369-300	VET Police Officer Grant			16,688	104,795	37,908	66,887
369-300	AB109 PS Mitigation Grant				25,000		25,000
<b>Total Restricted Gen Fund</b>		<b>1,401,651</b>	<b>1,203,728</b>	<b>1,334,676</b>	<b>1,477,804</b>	<b>247,687</b>	<b>323,887</b>
Page Totals		2,449,587	2,286,347	2,541,930	2,551,804	1,286,208	1,557,665
Previous Page Totals		2,579,186	2,478,368	2,341,789	2,256,474	1,842,546	2,323,438

<b>General Fund Total Revenue</b>	<b>5,028,772</b>	<b>4,764,715</b>	<b>4,883,718</b>	<b>4,808,278</b>	<b>3,128,753</b>	<b>3,881,103</b>
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REVENUES

FUND: 300 - ENTERPRISE FUND

DEPT: MCDERMONT FIELD HOUSE (Includes LUSD, After-School, & Recreation)

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
<b>McDermont Field House/Recreation</b>							
305-012	Birthday Parties	134,741	129,656	127,477	130,000	69,353	130,000
305-027	Fitness Center/Member	743,845	651,401	556,770	550,000	459,314	620,000
300-398	Sponsorships	9,705	4,815	13,150	6,500	14,950	17,750
300-103	HS ASSETS / LTAC Program	62,500	212,500	187,500	250,000	212,500	110,000
333-360	LUSD Sports/AFS Admin	22,500	30,000	30,000	30,000	34,840	34,000
333-360	LUSD Recreation Contribution		28,500	22,500	22,500	25,680	25,000
300-105	LUSD K-8 Afterschool Use						23,000
305-006	Adult Sports	40,188	39,126	28,798	43,000	45,305	48,000
305-015	Youth Sports	35,603	22,612	20,040	25,000	18,947	22,500
305-005	Sports Camps & Leagues	92,662	128,744	131,062	130,000	116,876	130,000
305-008	Admissions	614,377	460,295	359,126	405,000	277,602	405,000
347-010	Recycling	1,249	2,542	3,092	4,500	2,399	4,225
300-104	Special Events	86,998	39,395	49,307	65,000	46,441	50,000
347-042	Tanning Beds	20	48	129	250	74	100
300-003	Other	17,997	19,868	17,572	12,500	24,651	20,000
300-006	Special Use	288,265	272,021	219,505	280,000	143,046	260,000
345-050	Retail Space Lease				36,000		5,000
310-004	K-12 <i>Let's Move</i> Education Program				100,000		50,000
300-010	Concessions/Vending	296,985	195,390	191,496	225,000	182,501	250,000
	<b>Totals</b>	<b>2,447,634</b>	<b>2,236,911</b>	<b>1,957,523</b>	<b>2,315,250</b>	<b>1,674,478</b>	<b>2,204,575</b>

Other Financing Sources-REV						
300-017	HRRP Grant Rec'd 6-21-12		171,050			
<i>Deferred REV in FY12 Carry Forward to FY13</i>			(171,050)			
	Operating Transfers-In (GF)		8,910		194,736	287,908
	<b>Total Other Financing Sources</b>		<b>8,910</b>	<b>0</b>	<b>194,736</b>	<b>287,908</b>

<b>Total Revenue</b>	<b>2,447,634</b>	<b>2,245,821</b>	<b>1,957,523</b>	<b>2,509,986</b>	<b>1,674,478</b>	<b>2,492,483</b>
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FUND: 400 - ENTERPRISE FUND  
 DEPT: 4400 - WELLNESS CENTER/AQUATIC CENTER

REVENUE

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
<b>Wellness Center</b>							
300-105	Lindsay District Hospital	233,721	233,721	233,721	233,721	233,721	256,423
340-401	LDHB Ad'l Contribution		92,440		0	167	0
360-010	Interest Earnings	200	1,058	90	165		13,500
310-004	Progam Fees/Class Fees	750		210	1,500	260	850
345-050	Space Lease Fees	20,000	24,637	67,041	62,500	45,628	62,500
305-027	Membership Fees		7,691	26,525	35,000	21,196	32,000
305-011	LUSD Contribution Pool		102,532		45,000		45,000
369-090	Other Department Revenue		374		500	24,015	5,028
310-001	Entry Fees - Pool or WC		20,333	15,855	21,000	10,432	17,500
310-003	Swim Lessons		4,436	3,880	4,500	1,840	4,500
305-009	Concessions		6,129	6,921	7,500	4,307	7,500
310-002	Facility Use/Event Rental	1,961	3,610	1,452	20,000	16,407	30,000
	<b>Revenue SubTotal</b>	<b>256,632</b>	<b>496,960</b>	<b>355,696</b>	<b>431,386</b>	<b>357,973</b>	<b>474,801</b>

<b>Operating Transfers-In</b>							
390-200	McDermont Members Pool				6,000		6,000
390-200	Transfer from Gen Fund			34,259	32,730		
	<b>Transfers-In Subtotal</b>	<b>-</b>	<b>-</b>	<b>34,259</b>	<b>38,730</b>	<b>-</b>	<b>6,000</b>

<b>Other Sources &amp; Uses Rev</b>							
348-075	Loan Proceeds-USDA	104,438				53,653	
369-105	RCAC Grant	462,000	343,553				
	<b>Loans &amp; Grants</b>	<b>566,438</b>	<b>343,553</b>	<b>-</b>	<b>0</b>	<b>53,653</b>	<b>0</b>
						-	
	<b>Combined REV</b>	<b>823,070</b>	<b>840,513</b>	<b>389,955</b>	<b>470,116</b>	<b>411,626</b>	<b>480,801</b>

FUND: 552 - ENTERPRISE FUND  
DEPT: 4552 - WATER

REVENUES

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
348-020	Connection Fees	16,117	22,000	20,013	20,000	17,643	18,500
348-010	User Charges	1,805,743	1,737,521	1,845,262	1,772,771	1,183,145	1,355,043
348-030	Sale Surplus Water	20,000	16,071	154,507			
348-080	Misc. Receipts	112,870	40,006	76,383	2,197	18,398	15,000
369-090	Underground tank grant reimb						25,000
369-115	AB303 Clean Drinking Water Act			31,636			
<b>Total WATER FUND</b>		<b>1,954,731</b>	<b>1,815,599</b>	<b>2,127,802</b>	<b>1,794,968</b>	<b>1,219,186</b>	<b>1,413,543</b>

\*A Water Rate Study and Water Feasibility Study were conducted in FY13 - results pending

\*Street Improvement Funds formerly collected and then expensed to this fund are now billed and receipted directly to the SIP Fund

FUND: 553 - ENTERPRISE FUND  
DEPT: 4553 - SEWER

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
348-060	Connection Fees		11,140	22,825	20,000	4,560	6,500
348-050	User Charges	1,635,021	1,443,539	1,414,703	1,454,386	900,602	1,092,000
369-090	Misc. Receipts	25,235	8,988	44,187	10,000	10,096	10,000
490-030	Fund Balance	0		-	-		74,218
<b>SubTotal Domestic Sewer</b>		<b>1,660,256</b>	<b>1,463,667</b>	<b>1,481,715</b>	<b>1,484,386</b>	<b>915,258</b>	<b>1,182,718</b>

\*Residential Sewer rates were reduced by \$6.86 per account & Laundromat/Car Wash rates by 1.04/100 CF - July 2011

\*Street Improvement Funds formerly collected and then expensed to this fund are now billed and receipted directly to the SIP Fund

FUND: 572 WWTP RESERVE

390-100	Transfer to CIP					-	72,782
<b>SubTotal Storm Drain Sys</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,782</b>

FUND: 841 CURB& GUTTER

343-010	Street & Sidewalk Repair	1,837	2,005	4,400	20,011	4,053	9,000
<b>SubTotal Curb&amp;Gutter</b>		<b>1,837</b>	<b>2,005</b>	<b>4,400</b>	<b>20,011</b>	<b>4,053</b>	<b>9,000</b>

FUND: 856 STORM DRAIN SYSTEM

324-040	Building Permit Fees	11,000	6,602	14,360	10,000	11,273	13,000
369-400	FEMA Reimbursement	28,482	-	-		-	-
<b>SubTotal Storm Drain Sys</b>		<b>39,482</b>	<b>6,602</b>	<b>14,360</b>		<b>11,273</b>	<b>13,000</b>
<b>Total SEWER FUND</b>		<b>1,701,575</b>	<b>1,472,274</b>	<b>1,500,474</b>	<b>1,504,397</b>	<b>930,585</b>	<b>1,277,500</b>

FUND: 554 - ENTERPRISE FUND  
DEPT: 4554 - REFUSE

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
348-100	User Charges	1,236,876	1,199,166	1,042,065	1,189,298	730,497	877,347
348-110	Special Pickups	709		97,150	1,500	1,000	1,500
341-080	Penalty & Misc Services			22,071			10,000
090-200	Transfer from SIP Fund						75,238
<b>Total REFUSE FUND</b>		<b>1,237,585</b>	<b>1,199,166</b>	<b>1,161,286</b>	<b>1,190,798</b>	<b>731,497</b>	<b>964,085</b>

\*Refuse rates were reduced by 5% in July 11 - Revenues are falling short of expenditures and a rate adjustment will be needed FY16

\*Street Improvement Funds formerly collected and then expensed to this fund are now billed and receipted directly to the SIP Fund

\*Street Improvement Fund fee revenue is being used to balance the Refuse Fund via the transfer process

FUND: 261- SPECIAL REVENUE FUND  
 DEPT: GAS TAX

REVENUES

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
335-155	2105 Construction	66,249	55,261	53,912	60,000	39,530	59,612
335-156	2106 Construction	43,323	39,150	40,376	40,000	29,291	43,800
335-157	2107 Mainenance	88,552	81,603	85,503	75,000	63,620	88,169
335-158	2107.5 Engineering & Administration	6,000	3,000	3,000	3,000	3,000	3,000
335-162	Traffic Congestion Relief	112,045	160,141	106,639	143,695	118,492	126,500
369-400	Other Revene/Rebates			536			
360-010	Interest Earnings						4,009
<b>SUBTOTAL GAS TAX</b>		<b>316,169</b>	<b>339,155</b>	<b>289,967</b>	<b>321,695</b>	<b>253,933</b>	<b>325,090</b>

FUND: 263 - SPECIAL REVENUE FUND  
 DEPT: TRANSPORTATION

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
335-159	Local Transportation Fund (LTF)	245,804	171,960	254,774	277,215	536,216	245,000
305-020	Measure "R" Local	95,098		220,484	139,800	127,453	161,870
369-400	Other Revene/Rebates	66,730	1,509			-	
341-080	Bus Token/Service Fees						700
360-010	Interest Earnings						2,250
305-023	Measure "R" Special Projects	471,504		-	-	-	655,000
<b>SUBTOTAL TRANSPORTATION</b>		<b>879,136</b>	<b>173,469</b>	<b>475,258</b>	<b>417,015</b>	<b>663,669</b>	<b>1,064,820</b>

*Transportation Fund - The City of Lindsay contracts with the County of Tulare to provide local transit services via a transfer of state allocated transit funds directly to County per a formal Transit Agreement.*

FUND: 265 - SPECIAL REVENUE FUND  
 DEPT: SURFACE TRANSPORTATION PROGRAM

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
335-160	STP Exchange	87,779	104,688	108,360	105,210	119,448	110,000
<b>SUBTOTAL TRANSPORTATION</b>		<b>87,779</b>	<b>104,688</b>	<b>108,360</b>	<b>105,210</b>	<b>119,448</b>	<b>110,000</b>

<b>COMBINED TOTAL RESTRICTED FUNDS</b>	<b>1,283,084</b>	<b>617,312</b>	<b>873,585</b>	<b>843,920</b>	<b>1,037,050</b>	<b>1,499,910</b>
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FUND: SPECIAL REVENUE FUND  
 DEPT: ASSESSMENT DISTRICTS and LAND APPLICATION

REVENUES

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Projected Revenue FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
<b>Lighting &amp; Landscape</b>							
883	Sierra View	17,185	11,930	16,610	17,861	19,633	18,850
884	Heritage Park	6,676	5,356	6,247	6,600	8,675	7,550
885	Ingoldsby	3,215	2,223	2,589	4,000	-	5,298
886	Samoa	5,304	2,454	3,083	4,400	2,846	6,400
887	Sweet Brier	7,727	4,604	6,441	6,500	7,266	6,500
888	Parkside	7,308	7,111	7,026	7,300	8,245	8,200
889	Sierra Vista	1,692	86	(32)	200	(49)	200
890	Maple Valley	132	102	577	4,000	18	4,000
891	Pelous Ranch	9,530	8,520	18,131	19,700	10,525	19,700
<b>Total Assessment Districts</b>		<b>58,770</b>	<b>42,385</b>	<b>60,672</b>	<b>70,561</b>	<b>57,159</b>	<b>76,698</b>

<b>Land Application 556</b>							
339-150	CCPI User Charges	86,811	60,840	30,028	49,904	28,669	52,565
348-070	CCPI Lease	21,600	21,600	21,600	21,600		21,600
<b>Total Land Application</b>		<b>108,411</b>	<b>82,440</b>	<b>51,628</b>	<b>71,504</b>	<b>28,669</b>	<b>74,165</b>

<b>Subtotal Spec REV Funds</b>	<b>167,181</b>	<b>124,825</b>	<b>112,300</b>	<b>142,065</b>	<b>85,828</b>	<b>150,863</b>
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*\*All revenue received in these funds are applied directly to cost of service*

FUND: 200 - ISF FUND REVENUE  
 DEPT: 2000 - STREET IMPROVEMENT FUND

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Council Approved FY 2014	Revenue Thru 5/12/14	Manager Proposed FY 2015
312-030	UB Charges for SIP	1,146,200	882,091	1,071,469	1,068,009	958,869	1,046,492
	<b>Fund Revenues</b>	<b>1,146,200</b>	<b>882,091</b>	<b>1,071,469</b>	<b>1,068,009</b>	<b>958,869</b>	<b>1,046,492</b>
490-030	Reserve Fund Balance						268,976
	<b>Approved Activity SIP</b>				<b>1,068,009</b>	<b>958,869</b>	<b>1,315,468</b>

FUND: 200 - ISF FUND EXPENSE  
 DEPT: 2000 - STREET IMPROVEMENT FUND

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Manager Proposed FY 2015
090-200	Transfer to CIP Fund				224,624	224,624	810,564
090-200	Transfer to GF Streets				179,436	62,750	219,628
090-200	Transfer to Refuse						75,238
090-200	Transfer to Debt Srv Fund				73,566	52,964	73,566
	<b>Operational Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>477,626</b>	<b>340,338</b>	<b>1,178,996</b>
490-030	Reserve Fund Balance				268,976	618,946	136,472
	<b>Approved Activity SIP</b>				<b>746,602</b>	<b>959,284</b>	<b>1,315,468</b>

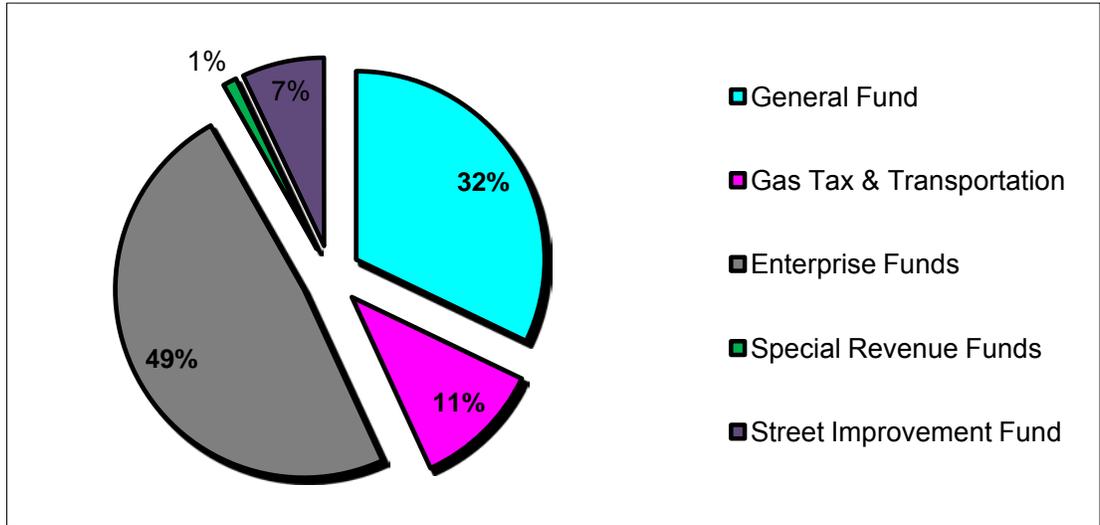
**\*REF: FY14 Budget Restricted General Fund Rev - these funds are now accounted for within an ISF that will maintain it's own Fund Balance to account for accrual of funds for future street improvement projects**

*\*In accordance with Prop 218, a Public Hearing was held on April 13, 2004 to adopt the Street Improvement Program by incrementally adding 5.9% to the water, sewer, and refuse rates in four installments from June 2004 thru June 2007. This program was developed to provide a funding mechanism for on-going streets maintenance including reconstruction, overlay, and chip seal and charged to the water, sewer, and refuse funds that contribute to the degradation of the streets. Prior to FY14, the accounting method was to bill and collect the 23.6% as part of each UB fund, charge as an expense to the appropriate fund and recode as a revenue to the general fund for use in this program. In order to provide greater transparency and accountability for these funds, an Internal Service Fund (ISF) has been created to provide more detailed documentation regarding the portion of billing and collections allocated to the Streets Maintenance Program and track the Fund Balance which will provide greater accuracy for availability of funds for streets projects.*

# OPERATING EXPENSE

**EXPENDITURE SUMMARY**  
**City of Lindsay 2014-2015 Budget Year**

<b>General Fund</b>	<b>\$4,372,218</b>
<b>Gas Tax &amp; Transportation</b>	<b>\$1,499,910</b>
<b>Enterprise Funds</b>	<b>\$6,619,412</b>
<b>Special Revenue Funds</b>	<b>\$159,863</b>
<b>Street Improvement Fund</b>	<b>\$959,368</b>



**General Fund**

• City Council	17,807
• City Manager	100,919
• Finance/City Clerk	179,700
• City Attorney	60,250
• Planning & Community Services	155,546
• Non-Departmental	232,273
• Public Safety	2,488,546
• City Services	350,856
• Streets	219,628
• Parks	248,785
• Transfers to Other Funds	\$317,908
	<b>\$4,372,218</b>

**Gas Tax & Transportation**

• Operations & Service	410,364
• Capital Improvement Projects	967,417
• Debt Service	122,129
	<b>1,499,910</b>

**Enterprise Funds**

• McDermont Field House	2,492,483
• Wellness & Aquatic Center	480,801
• Water	1,413,543
• Sewer	1,268,500
• Refuse	964,085
	<b>6,619,412</b>

**Special Revenue Funds**

• Assessment Districts	76,698
• Land Application	74,165
• Curb & Gutter	9,000
	<b>159,863</b>

**Street Improvement Fund**

• Transfer to Streets CIP	810,564
• Transfer to Debt Service Fund	73,566
• Transfer to Refuse Fund	75,238

**959,368**

**Total Expense Summary 13,610,771**

**FY 15 EXPENDITURE SUMMARY**

Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Manager Proposed FY 2015
<b>General Fund</b>						
City Council	9,387	19,806	17,487	17,900	14,444	17,807
City Manager	63,875	124,697	127,797	113,794	53,898	100,919
Finance/City Clerk	270,197	145,397	292,042	201,747	263,395	179,700
City Attorney	108,727	165,310	50,967	75,650	54,760	60,250
Planning & Economic Development	89,052	290,097	133,212	170,350	130,114	155,546
Non-Departmental	267,438	520,878	413,280	244,775	212,499	232,273
Public Safety	2,841,269	2,574,756	2,464,202	2,469,808	2,228,066	2,488,546
City Services	329,765	450,431	360,379	370,456	306,984	350,856
Streets	253,695	253,251	432,843	179,436	62,750	219,628
Parks	214,292	196,674	233,641	226,754	194,382	248,785
Transfer to Wellness Center				32,730		0
Transfer to Debt Service				120,312		0
Transfer to CIP Fund				224,624		30,000
Transfer to Reserve Fund				165,206		0
Transfer to McDermont Field House				194,736		287,908
Fund Balance Reserve & Transfer In						0
<b>Sub-total Gen Fund</b>	<b>4,447,697</b>	<b>4,741,297</b>	<b>4,525,850</b>	<b>4,808,278</b>	<b>3,521,292</b>	<b>4,372,218</b>
<b>Enterprise Funds</b>						
McDermont Field House	3,328,963	2,896,935	2,790,732	2,509,986	2,084,533	2,492,483
Wellness/Aquatic Center		1,173,262	502,820	470,116	481,921	480,801
Water	1,771,420	1,548,332	1,718,374	1,794,968	1,181,226	1,413,543
Sewer	1,737,980	1,357,770	1,410,071	1,497,386	957,891	1,277,500
Refuse	1,213,697	1,310,734	1,254,081	1,190,798	801,515	964,085
<b>Sub-total Enterprise Funds</b>	<b>8,052,060</b>	<b>8,287,033</b>	<b>7,676,078</b>	<b>7,463,254</b>	<b>5,507,086</b>	<b>6,628,412</b>
<b>Gas Tax &amp; Transportation</b>						
Operations	648,528	252,122	259,406	486,672	284,024	410,364
Capital Improvement Projects	89,720		-	230,210	230,210	967,417
Debt Service	122,754	122,754	122,558	127,688	122,353	122,129
<b>Sub-total Restricted Funds</b>	<b>861,002</b>	<b>374,876</b>	<b>381,964</b>	<b>844,570</b>	<b>636,587</b>	<b>1,499,910</b>
<b>Special Revenue Funds</b>						
Assessment Districts	14,938	67,784	60,680	70,561	53,108	76,698
Land Application	126,440	85,302	63,196	71,504	36,876	74,165
<b>Sub-total Special Revenue</b>	<b>141,378</b>	<b>153,086</b>	<b>502,820</b>	<b>142,065</b>	<b>89,984</b>	<b>150,863</b>
<b>Street Improvement Fund</b>						
Transfer to CIP - Streets Projects					224,624	810,564
Transfer to Debt Service Fund					52,964	73,566
Transfer to Refuse Fund				73,566	62,750	75,238
<b>Sub-total ISF Funds</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>73,566</b>	<b>340,338</b>	<b>959,368</b>
<b>Combined Totals</b>	<b>13,502,137</b>	<b>13,556,292</b>	<b>13,086,712</b>	<b>13,258,167</b>	<b>9,754,949</b>	<b>13,610,771</b>

FUND: 101 - GEN FUND  
 DEPT: 4010 - CITY COUNCIL

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
024-000	Spec. Dept'l Supplies	4,869	5,313	2,211	3,000	1,312	3,000
037-002	Public Outreach				1,000	825	1,000
037-012	Stipend	3,200	3,025	3,300	3,300	1,925	3,300
038-002	Education & Travel	1,318	5,961	6,469	5,000	4,874	5,000
037-005	JPA Dues-LCC		5,507	5,507	5,507	5,507	5,507
<b>Operational Expenses</b>		<b>9,387</b>	<b>19,806</b>	<b>17,487</b>	<b>17,807</b>	<b>14,444</b>	<b>17,807</b>

FUND: 101 - GEN FUND  
 DEPT: 4040-CITY MGR

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	36,293	82,577	83,209	69,747	34,136	63,331
015-000	Benefits	19,314	36,843	41,613	39,897	17,767	35,488
021-000	Office Supplies	1,089	1,165	234	500	478	500
022-012	Vehicle Fuel & Oil	559					
033-001	Communications	1,690	2,521	1,520	1,500	1,064	1,200
036-008	Office Equip.- Maint	963	810		500		200
037-004	Dues, Subscriptions	2,627	690	421	650	175	200
038-002	Education & Travel	1,341	91	800	1,000	278	0
<b>Operational Expenses</b>		<b>63,875</b>	<b>124,697</b>	<b>127,797</b>	<b>113,794</b>	<b>53,898</b>	<b>100,919</b>

FUND: 101 - GEN FUND  
 DEPT: 4050-FINANCE/CITY CLERK

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Manager Proposed FY 2015
010-001	Salaries	77,193	37,668	48,895	64,202	105,808	67,048
015-000	Benefits	36,135	19,578	27,008	45,260	56,930	46,752
021-000	Office Supplies	8,531	7,725	3,682	3,500	3,139	3,500
024-000	Special Dept. Supplies	419	1,077	836	850	1,769	1,800
031-000	Professional Services		7,500	520	5,000	9,510	2,500
031-009	Annual Audit	130,329	51,553	170,000	60,000	57,000	35,000
033-001	Communications	4,543	6,657	9,078	5,000	7,412	5,000
037-000	Other Services & Charges	11,034	6,214	22,668	11,000	16,574	8,000
035-000	Adv, Print'g & Bind'g	936	2,277	365	500		5,000
036-008	Office Equip.- Maint	961	3,800	6,649	3,275	4,181	4,000
037-004	Dues, Subscriptions	340	639	1,360	1,235	1,074	500
037-008	Training & Seminars	503	233	731	1,575		500
038-002	Meetings & Travel	-727	475	248	350		100
<b>Operational Expenses</b>		<b>270,197</b>	<b>145,397</b>	<b>292,042</b>	<b>201,747</b>	<b>263,395</b>	<b>179,700</b>

\*Increase in Salary & Benefits due to all housing administration costs formerly paid out of CDBG or HOME PI are now paid out of the Finance Budget; Finance Budget includes the cost of a P/T IT Specialist and the City Clerk's salary is now accounted for within the Finance Department Budget.

FUND: 101 - GEN FUND

EXPENSE

DEPT: 4060-CITY ATTORNEY

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
031-000	Professional Services	108,727	165,310	50,967	75,650	54,760	60,250
	<b>Operational Expenses</b>	<b>108,727</b>	<b>165,310</b>	<b>50,967</b>	<b>75,650</b>	<b>54,760</b>	<b>60,250</b>

FUND: 101 - GEN FUND

DEPT: 4070-PLANNING & ECONOMIC DEVELOPMENT

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	37,437	172,685	57,208	63,357	81,805	74,010
015-000	Benefits	13,608	75,888	14,334	38,308	24,539	41,608
021-000	Office Supplies	1,430	166	376	200	589	200
031-000	Professional Services		18,040	33,608	12,000	3,690	12,000
033-001	Communications	6,461	1,116	615	750	0	750
035-000	Adv, Print'g & Bind'g	29	708	1,674	1,500	3,689	3,800
036-008	Office Equip.- Maint	352	80	2,595	1,850	2,684	3,500
037-000	Other Services&Chrg	835		273	100	130	250
037-004	Dues & Subscriptions	-	15	507.77	525	265	525
037-005	LAFCO Dues	2,889	2,672	4,854	4,875	4,626	4,700
037-013	TCEDC Dues	11,650	9,100	9,100	9,100	4,100	9,100
037-006	TCAG Dues			2,319		2,601	2,603
038-002	Meetings & Travel	2,872	457	475	500	967	1,000
071-000	CDBG Portfolio Mng	3,398	2,986	4,980	4,785	358	0
072-000	HOME Portfolio Mng	4,139	2,884	293	2,500	0	0
074-000	Business&Economic Dev	-	3,300		5,000	72	1,500
095-000	Annex Poosevelt School				25,000	0	0
	<b>Operational Expense</b>	<b>85,100</b>	<b>290,097</b>	<b>133,212</b>	<b>170,350</b>	<b>130,114</b>	<b>155,546</b>

FUND: 101 - GEN FUND

DEPT: 4090-NON-DEPARTMENTAL

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
034-000	Insurance	63,480	80,341	81,310	115,375	102,735	132,681
031-000	Professional Services		16,433	20,105	10,000	11,823	6,000
031-009	Audit Services			34,121			
037-000	Services & Charges	161,295	26,633	13,400	6,000	16,583	15,789
037-004	Dues & Subscriptions	11,654	14,128	1,149	900	900	900
037-001	Lawsuit Settlement Payments		320,000	163,000	0	0	0
050-000	County Admn Fee-Prp Tax	30,010	34,794	7,312	10,000	3,731	7,500
015-010	OPEB Expense	1,000	28,550	34,874	27,500	33,728	42,903
015-007	Unemployment Expense			58,010	75,000	42,999	26,500
	<b>Operational Expenses</b>	<b>267,438</b>	<b>520,878</b>	<b>413,280</b>	<b>244,775</b>	<b>212,499</b>	<b>232,273</b>

*\*Property Insurance Premiums are increasing 15-20% / Liability Premiums are increasing 10-15%*

FUND: 101 - GEN FUND  
 DEPT: 4110-PUBLIC SAFETY

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries - Regular F/T	1,273,556	1,169,539	1,109,406	1,200,425	1,021,085	1,135,601
010-002	Salaries - Part Time	133,882	149,620	94,685	20,000	27,454	30,000
010-003	Overtime	85,962	35,794	68,209	62,259	66,303	43,000
015-000	Benefits	851,521	764,680	743,276	802,145	779,694	788,907
021-000	Office Supplies	3,180	3,694	4,127	5,700	3,245	4,000
022-000	Depart'l Operating Supp.	12,653	6,963	8,759	5,000	8,865	8,700
022-012	Vehicle Fuel & Oil	64,590	68,660	53,277	45,000	23,397	40,000
022-015	Vehicle Repair & Maint	52,934	43,539	32,970	30,000	42,076	45,000
023-000	Repair & Maint Supplies	3,381	1,544	4,187	5,000	2,265	3,000
024-000	Special Dept'l Supplies	10,122	4,596	7,096	4,500	6,961	7,200
024-004	Personal Equipment	561	5,506	33,963	10,000	34,762	10,000
024-005	Uniform Allowance	21,437	14,716	13,615	13,600	8,200	16,850
025-000	Small Tools & Equipment	1,322	938	1,169	950	1,012	950
031-000	Professional Services	17,441	22,299	7,399	6,500	5,621	6,500
031-001	Central Dispatch	52,208	48,391	49,197	52,000	83	50,000
031-002	Booking Fees	2,571	3,950	-	5,000	-	5,000
031-003	Thunderbolt Officer	4,472	7,956	2,338	5,000	8,272	5,000
031-005	Radio Maintenance	6,960	805	500	950	4,455	950
030-010	Animal Control Services	18,421	12,125	7,045	6,500	7,339	7,500
032-001	Utilities - SCE	1,775	1,697	4,790	2,375	11,830	2,375
032-002	Utilities - SoCal Gas	3,249	1,457	1,260	2,565	1,776	2,565
033-001	Communications - GTE	20,186	17,266	19,065	15,000	17,639	18,000
034-000	Insurance -Work Comp/Liab	2,667	1,870	2,359	67,339	26,244	78,398
035-000	Advertising, Printing & Bindin	3,957	1,324	1,371	1,000	1,409	1,000
036-008	Office Equip. Maint.	3,296	10,565	12,330	14,250	4,683	5,000
037-000	Other Service & Charges	9,610	4,192	4,737	4,750	6,911	4,750
037-004	Dues & Subscriptions	2,245	3,194	2,073	2,000	2,634	2,700
037-008	Training & Seminars	11,352	13,378	9,141	10,250	10,814	10,250
038-002	Meeting & Travel	1,298	215	108	500	2,123	500
039-001	LIVE SCAN	9,062	5,826	7,270	6,500	6,887	7,100
066-007	DUI Trust Fund & Lab Fees	11,107	16,033	23,140	15,000	8,086	15,000
066-008	DOJ CLETS Line	2,466	2,853	1,500		1,477	
066-001	New Vehicle Equip	21,154	25,764	25,075	2,500	-	2,500
095-006	AB109 Detail			357	250	-	250
051-007	COPS SLESF	71,182	73,428	77,812	45,000	74,464	100,000
<b>Operational Expenses</b>		<b>2,791,779</b>	<b>2,544,378</b>	<b>2,433,601</b>	<b>2,469,808</b>	<b>2,228,066</b>	<b>2,458,546</b>
<b>Capital Outlay</b>							
066-000	Lease-Purchase:	30,378	30,378	30,601	-	-	30,000
<b>Capital Outlay</b>		<b>30,378</b>	<b>30,378</b>	<b>30,601</b>	<b>-</b>	<b>-</b>	<b>30,000</b>
<b>Total Operations&amp;Capital Outlay</b>		<b>2,822,157</b>	<b>2,574,756</b>	<b>2,464,202</b>	<b>2,469,808</b>	<b>2,228,066</b>	<b>2,488,546</b>

*\*Personal Equipment costs included replacement of tasers, taser holsters, and bullet-proof vests - offsetting costs were contributions from the DOJ Vest Grant and the Asset Forfeiture account.*

*\*Capital Outlay to replace outdated Records Management computer system*

FUND: 101 - GEN FUND  
 DEPT: 4120-CITY SERVICES

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	83,579	137,512	116,047	129,142	124,274	132,244
010-003	Overtime	6	6,258	1,556	1,500	2,783	2,000
015-000	Benefits	39,511	108,261	70,008	87,514	90,758	89,312
021-000	Office Supplies	8,999	3,405	2,864	2,500	2,841	2,800
022-000	Dept'l Operating Supplies	44,285	25,030	25,898	24,000	15,332	15,000
022-009	Weed Abatement	1,020			3,000	4075	5,000
022-012	Vehicle Fuel & Oil	10,175	6,426	6,873	6,500	3,021	5,000
022-015	Vehicle Repair & Maint.	8,573	5,783	3,283	2,000	4,087	5,000
023-000	Repair & Maint Supplies	2,493	1,418	238	4,000	4,535	7,000
024-001	Shop Supplies/Small Tools	142	109		250	166	250
031-000	Professional Services	13,987	43,089	39,705	10,000	5,620	7,500
032-001	Utilities - SCE	77,345	72,170	63,606	71,600	22,128	50,000
032-002	Utilities - SoCal Gas	9,792	7,253	5,377	8,700	5,427	5,500
033-001	Communications - GTE	16,396	13,437	16,173	9,500	12,618	12,000
036-008	Office Equip.- Maint	5,454	970	2,396	1,500	2,314	2,000
037-000	Other Services & Charges	5,916	17,635	71	4,000	3,314	4,000
037-004	Dues & Subscriptions	1,724	329	362	250	192	250
038-002	Meetings & Travel	342	1,445	1,207	1,000		1,000
064-003	Cap Outlay Repair Govt Bldgs			4,714	3,500	3,500	5,000
<b>Operational Expenses</b>		<b>329,740</b>	<b>450,531</b>	<b>360,379</b>	<b>370,456</b>	<b>306,984</b>	<b>350,856</b>

FUND: 101 - GEN FUND  
 DEPT: 4130-STREETS

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	65,995	83,728	83,037	88,139	11,419	116,260
010-003	Overtime	2,954	944	811	1,000	161	500
015-000	Benefits	38,963	73,202	56,116	60,247	29,386	81,068
022-000	Dept'l Operating Supplies	9,343	5,606	15,443	8,000	6,158	6,000
022-012	Vehicle Fuel & Oil	8,273	7,467	6,783	7,500	2,664	5,000
022-015	Vehicle Repair & Maint.	5,986	4,887	6,207	5,000	3,310	4,500
023-000	Repair & Maint Supplies	4,571	6,917	2,733	5,000	3,898	4,000
031-001	Communications - Dispatch	2,275	1,229	1,528	1,200	2,866	1,500
037-004	Dues & Subscriptions	350			350	2,668	350
037-014	Equip & Prop Rentals	50			2,500	96	200
038-002	Training & Meeting	65	345		500	125	250
064-020	Capital O/L Streets		68,174	260,185			
<b>Operational Expense</b>		<b>138,825</b>	<b>252,501</b>	<b>432,843</b>	<b>179,436</b>	<b>62,750</b>	<b>219,628</b>

*\*Capital Outlay is now in a stand-alone ISF with each project and contributing fund distinctly identified*

*\*Major Renovation projects are now contracted out per the bid process and not done with city labor except for oversight which is why the salary allocation has been reduced significantly.*

EXPENSE

FUND: 101 - GEN FUND  
DEPT: 4210-PARKS

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	39,416	72,080	68,028	95,183	60,757	101,704
010-003	Overtime	1,478	2,143	368	500		1,000
015-000	Benefits	23,861	28,542	26,353	46,171	31,386	47,681
022-000	Dept'l Operating Supplies	20,871	28,428	69,482	20,000	33,476	25,000
022-012	Vehicle Fuel & Oil	4,573	17,327	4,488	8,000	3,274	5,000
022-015	Vehicle Repair & Maint.	9,834	7,642	8,257	5,000	5,993	6,200
023-005	Contract Services	552	2,050		5,000	2,425	3,000
025-000	Small Tools & Supplies	483	1,792		5,000	4,742	2,500
030-001	Contract - Golf Course	39,000	12,000	9,000	12,000	7,000	19,200
033-001	Communications - GTE	1,509	977	5,312	2,500	2,522	2,000
032-001	Utilities - SCE & GAS	29,639	23,307	28,101	24,900	24,678	26,000
036-007	Other Equip Maint	1,957	241	1,069	1,500	1,794	1,500
037-014	Equip & Prop Rentals			10,907	500	6,866	2,000
038-002	Training & Meetings	81	144		500	67	500
064-046	Landscape Maintenance	33,330				6,462	2,500
063-000	Other Capital Improvement			2,275		2,940	3,000
<b>Operations</b>		<b>206,584</b>	<b>196,674</b>	<b>233,641</b>	<b>226,754</b>	<b>194,382</b>	<b>248,785</b>

\*Completion of the Park Renovation Project will require twice the amount of grounds maintenance compared to PYs

**Recommended Projects:**

**Kaku Park**

concrete curb

DG pathway

**City Park**

play panels

Helix install

Swing install

renovate Mem. prkg lot (ADA)

skate park security system

Ono City fence

Equipment trailer

**Community Center**

Pump & irrig sys

trash encl

Hydroseed

**Harvard Park**

Pump & irrig sys

(storm drain work noted in CIP)

**Olive Bowl**

Canopy install

replace elec panels

light timers

6,000

12,000

4,000

8,000

7,500

3,000

3,000

\*The above projects are not included in the current budget, but will be included per budget amendment if the funding becomes available

FUND: 261 - RESTRICTED FUND  
 DEPT: 4160- GAS TAX

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	124,760	44,187	32,142	46,523	92,468	56,953
015-000	Benefits	71,147	19,198	24,621	25,588	55,351	39,714
022-012	Vehicle Fuel & Oil	8,804	4,656	7,644	7,500	2,702	7,500
022-015	Vehicle Repair & Maint.	144	857		1,000	611	1,000
023-001	Street Sweeping Contract*	4,918		11,552	45,000	24,000	45,000
032-004	Street Lighting	86,125	86,999	99,268	85,000	73,350	55,000
065-063	Audit						5,000
034-000	Insurance	12,733		7,011	10,000	10,000	10,000
065-001	Street Signs	0	0	2,108	0	350	15,000
065-008	Street Striping	1,203	2,315	497	15,000	3,948	15,416
031-012	Engineering	35,299	2,279	135	11,084	593	5,000
065-013	General Street Maintenance	23,920	9,893	8,283	75,000	4,367	69,507
<b>TOTAL GAS TAX FUND</b>		<b>369,053</b>	<b>170,385</b>	<b>193,261</b>	<b>321,695</b>	<b>267,740</b>	<b>325,090</b>

\*Street Sweeping Contract has moved from Streets to Gas Tax

FUND: 263 - RESTRICTED FUND  
 DEPT: 4180- TRANSPORTATION

010-001	Salaries	221,831	44,417	40,457	79,376	10,212	47,040
015-000	Benefits	105,965	21,721	20,920	43,657	5,798	32,801
065-013	General Street Maint.			2,449	3,500	56	0
031-012	Engineering				22,729		433
037-006	TCAG Dues * Exp pd by 101-4070		5,268	2,318	2,800		0
065-063	Audit				12,266		5,000
<b>SUBTOTAL TRANSPORTATION FUND</b>		<b>327,796</b>	<b>71,406</b>	<b>66,145</b>	<b>164,328</b>	<b>16,066</b>	<b>85,274</b>
<b>Transfers Out</b>							
	Regional Project - Sequoia & Hickory						607,417
*LTF Funds	Capital Improvement Fund - Streets				125,000	125,000	250,000
	Debt Service Fund (Tulare Road)		122,754	122,558	127,688	122,353	122,129
<b>SUBTOTAL TRANSFERS OUT</b>			<b>122,754</b>	<b>122,558</b>	<b>252,688</b>	<b>247,353</b>	<b>979,546</b>
<b>TOTAL TRANSPORTATION FUND</b>		<b>327,796</b>	<b>194,160</b>	<b>188,702</b>	<b>417,016</b>	<b>263,418</b>	<b>1,064,820</b>

FUND: 265 - RESTRICTED FUND  
 DEPT: SURFACE TRANSPORTATION (STP)

090-200	Transfer Out to CIP Fund	1,149			105,210	105,210	110,000
<b>TOTAL STP FUND</b>		<b>1,149</b>	<b>0</b>	<b>0</b>	<b>105,210</b>	<b>105,210</b>	<b>110,000</b>

<b>TOTAL ALL GAS TAX/TRANSPORTATION</b>		<b>697,998</b>	<b>364,545</b>	<b>381,963</b>	<b>843,921</b>	<b>636,368</b>	<b>1,499,910</b>
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FUND: 300 - ENTERPRISE FUND

DEPT: 4300-MCDERMONT FIELD HOUSE (Includes Patriots, After-School, & Recreation)

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/11/14	Council Approves FY 2015
010-001	Salaries & Benefits	1,054,621	1,551,145	1,405,799	1,250,590	1,076,958	1,406,507
069-090	Redemption Supplies	75,937	43,330	34,915	32,000	22,758	27,000
069-091	Cleaning/Maintenance	57,196	42,226	63,743	50,000	50,167	50,000
069-092	Repair Equipment	96,215	60,994	60,746	50,000	80,678	75,000
069-093	Repair Building	41,839	22,250	16,565	18,000	14,275	16,750
069-095	Tanning Bed Supplies	4,892	1,601	907	1,000		250
069-101	Office supplies	27,732	20,126	12,728	9,500	10,069	10,000
069-102	Staff uniforms	3,852	1,221	892	750	794	850
069-103	Birthday Party supplies	11,572	14,549	20,261	18,000	18,164	20,000
069-104	Fitness Center Supplies	2,209	285	794	2,500	812	2,500
055-002	Youth Sports	131,157	37,592	31,577	25,000	25,323	25,000
055-019	Adult Sports	66,487	95,807	73,052	50,000	47,122	50,000
055-010	LUSD Patriot Program	1,440	24,750	39,280	30,000	39,437	34,000
055-026	LHS ASSETS / LTAC Program	585,488	212,803	257,356	250,000	130,402	62,000
069-116	Concessions Supplies	252,304	166,013	168,647	120,000	106,101	108,000
069-108	Electricity	265,696	221,004	245,744	185,000	135,831	170,000
069-109	Gas	14,997	13,053	12,809	12,000	14,121	15,000
095-002	Flow Rider Supplies	18,779	5,667	4,965	5,000	5,272	5,000
069-111	Telephone	4,316	4,686	5,957	5,400	3,625	4,200
069-069	Computer System/Operations	9,012	15,536	18,059	18,000	14,273	16,000
018-000	Bank & Interchange Fees	32,297	25,132	18,364	13,000	12,053	8,500
069-082	Insurance: Work Comp/Liab	1,545		9,311	75,000	1,634	75,000
055-006	Fitness Center Classes	35,284	38,906	20,050	20,000	19,220	25,000
069-084	Advertising/Marketing	18,058	8,655	16,358	12,000	25,514	35,000
069-086	Travel/Seminars	2,675	542	606	500		125
069-172	Child Care Expense		485	132	500	323	350
069-088	Staff Training	1,146	755	1,730	1,500	2,464	1,800
037-000	Other Services & Charges	38,899	755	1,243		2,472	2,500
069-115	Special Event Expense	48,173	38,944	12,554	1,000	3,840	4,000
069-113	Service contract	32,294	30,961	13,101	26,500	18,300	26,500
<b>Operational Expenses</b>		<b>2,936,112</b>	<b>2,699,773</b>	<b>2,568,246</b>	<b>2,282,740</b>	<b>1,882,004</b>	<b>2,276,832</b>

<b>Operating Transfers Out</b>							
025-001	Golf Course Contribution				5,000	195	5,000
035-002	Aquatic Center Contribution <i>Member use of facilities</i>			12,000	5,000	4,477	6,000
200-203	Due to Other Funds	62,490					
047-001	Debt Service - Interest		187,478	192,254	99,650	50,675	95,825
047-002	Debt Service - Principal				85,000	85,000	100,000
069-170	Debt Service - Lease	22,193	9,684		22,596	18,524	
<b>Total Operating Transfers Out</b>		<b>84,683</b>	<b>197,162</b>	<b>204,254</b>	<b>217,246</b>	<b>158,870</b>	<b>206,825</b>

<b>Capital Outlay Expense</b>							
064-002	X-Fit Arena Budget Amendment				30,000	30,000	
064-000	*Capital Outlay - Equipment	308,168		18,232	10,000	13,659	8,826
<b>Total Capital Outlay Expense</b>		<b>308,168</b>	<b>-</b>	<b>18,232</b>	<b>40,000</b>	<b>43,659</b>	<b>8,826</b>

<b>Total Fund Expense</b>		<b>3,328,963</b>	<b>2,896,935</b>	<b>2,790,732</b>	<b>2,539,986</b>	<b>2,084,533</b>	<b>2,492,483</b>
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EXPENSE

FUND: 400 - ENTERPRISE FUND  
 DEPT: 4400 - WELLNESS CENTER/AQUATIC CENTER

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries		244,333	127,754	150,000	98,941	116,837
015-000	Benefits		111,810	78,659	55,280	39,966	53,010
022-000	Dept. Oper. Supplies		9,786	7,014	7,000	7,354	7,500
022-012	Vehicle Fuel & Oil		104	36	250	-	0
023-000	Repair & Maintenance EQUIP		69	15,583	12,500	12,509	13,250
031-009	Audit Services		7,500	3,500	3,500	3,500	3,500
032-006	Wellness Center Utilities		26,990	74,520	55,000	63,211	68,000
032-007	Permits & Fees			4,123	3,700	4,076	4,125
033-001	Communications - Alarm		2,165	10,383	3,875	5,494	6,000
034-000	Insurance			0	10,000	10,000	10,000
035-000	Advertising/Printing/Copy		170	575	4,000	1,069	1,250
037-000	Other Services & Charges		939	156	500	1,017	1,250
037-004	Dues & Subscriptions			0	350	180	225
037-008	Staff Training			727	800	220	800
038-002	Training & Meetings		218	313	800	65	200
031-000	Professional Services		2,194	14,018	500	390	500
055-006	Special Interest Classes		13,869	9,149	30,000	20,544	25,000
063-013	Furniture & Equipment			2,973	500	211	500
069-076	Pool Chemicals			6,747	8,500	19,108	22,000
069-091	Cleaning & Maintenance BLDG			6,725	200	1,807	5,500
069-115	Special Event Expense			1,082	500	816	1,500
069-116	Concessions Supplies			6,045	5,500	11,620	8,500
<b>Operational Expenses</b>		<b>0</b>	<b>420,146</b>	<b>370,081</b>	<b>353,255</b>	<b>302,098</b>	<b>349,447</b>

064-000	**CIP - Building & Furniture			59,797			
066-000	CIP - Parking & Landscape		657,539			53,422	
<b>Capital Outlay</b>			<b>657,539</b>	<b>59,797</b>	<b>-</b>	<b>53,422</b>	<b>-</b>

**\*\*FY13 CIP funded from USDA Loan allocated for project and is carry-forward from PYs**

<b>Transfers Out</b>							
070-000	Transfer Out to Debt Service		95,577	72,942	126,401	126,401	131,354
<b>Debt Service</b>			<b>95,577</b>	<b>72,942</b>	<b>126,401</b>	<b>126,401</b>	<b>131,354</b>

<b>Combined Expense</b>		<b>1,173,262</b>	<b>502,820</b>	<b>479,656</b>	<b>481,921</b>	<b>480,801</b>
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*\*Budget increase due to increased costs in insurance, minimum wage, pool chemicals due to increased use (split with LUSD), increases in Utility costs due to increased use, and increase to Special Interest Class costs due to added programs*

FUND: 552 - ENTERPRISE FUND  
 DEPT: 4552 - WATER

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	238,213	195,207	181,175	208,890	176,227	225,134
010-002	Part Time Salaries	14,261	13,769	10,068	5,000	9,921	6,780
010-003	Overtime	4,966	6,262	6,157	5,500	5,094	7,500
015-000	Benefits	158,832	127,896	149,050	142,786	145,294	156,986
021-000	Office Supplies	5,250	4,396	2,274	2,500	3,083	2,500
022-000	Dept. Oper. Supplies	58,198	53,869	34,563	43,932	36,284	45,000
022-001	Water Supply Testing	35,784	40,109	36,019	40,200	31,571	45,000
022-004	Wells Materials	2,614	14,932	14,850	16,750	16,388	25,000
022-007	Treatment Plant Materials	124,529	73,034	43,707	75,000	45,351	65,000
022-010	Raw Canal Water	188,243	120,648	132,714	130,000	102,667	100,000
022-012	Vehicle Fuel & Oil	7,406	7,693	6,870	8,000	2,702	8,000
022-015	Vehicle Repairs & Maint.	16,647	4,860	9,589	10,000	5,636	10,000
023-000	Repair & Maint. Supplies	14,791	3,815	38,353	10,000	35,195	25,000
025-000	Small Tools & Equip	318	2,108	70	500		500
031-000	Professional Services	96,739	74,030	64,372	75,000	53,554	75,000
031-009	Audit Services	12,500	30,000	35,000	35,000	35,000	35,000
032-005	Wells Utilities	3,384	3,725	18,619	5,000	76,455	87,350
032-006	Treatment Plant Utilities	182,758	137,787	169,312	150,000	58,992	115,000
033-001	Communications / Alarm	24,107	20,422	19,184	15,000	17,948	10,000
034-000	Insurance	19,898	15,871	25,176	25,000	25,000	25,000
036-000	Repair & Maint. Services	20,150	15,449	31,494	25,000	38,776	40,000
037-000	Other services	502	22,638	33,674	5,000	14,452	15,000
037-004	Dues & Subscriptions & Permits	7,714	1,777	15,227	15,000	5,011	10,000
037-014	Equip & Prop Rentals	981		611	500	1,050	1,000
038-000	Engineering		2,845	21,710	30,000	1,506	20,000
038-002	Training & Meetings	375	746	2,906	2,500	2,543	2,500
040-000	*Street Improvement Program	385,232	394,768	437,806		0	0
080-000	*Raw Water Maintenance	4,196	705		5,000		0
050-006	Equip.Replacement&Maint	16,204		300	5,000	1,050	4,000
064-007	Underground Gas Tank Removal		8,731	418	15,000		25,000
070-005	AB303 Reimbursed Reporting			36,320	0		0
095-000	Water Rate Study		515	12,181	3,000	8,544	0
096-000	Water Feasibility Study			1,978	20,000	58	0
<b>Operational Expenses</b>		<b>1,644,792</b>	<b>1,398,604</b>	<b>1,591,746</b>	<b>1,130,058</b>	<b>955,352</b>	<b>1,187,250</b>

\*Raw Water Maintenance costs will be accounted for within Raw Canal Water in future and line eliminated from GL

\*Fees collected for the Street Improvement Fund will no longer be expensed to water, but accounted for within a separate ISF Fund

<b>Transfers Out</b>							
064-000	Capital Improvement Fund		23,100		20,000	98,977	24,500
100-103	CIP Reserve Fund				116,357		75,165
070-002	Debt Service Fund Clairifier	16,754	16,754	16,754	16,754	8,377	16,754
070-000	Debt Service USDA Bond	109,874	109,874	109,874	109,874	118,521	109,874
<b>Total Transfers Out</b>		<b>126,628</b>	<b>149,728</b>	<b>126,628</b>	<b>262,985</b>	<b>225,875</b>	<b>226,293</b>

<b>Combined Expense</b>	<b>1,771,420</b>	<b>1,548,332</b>	<b>1,718,374</b>	<b>1,393,043</b>	<b>1,181,226</b>	<b>1,413,543</b>
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**Projects/equipment not included above:**

Olive Bowl well abandonment	10,000
SCBA and tank	6,000
Pnumatic valve exercisor	6,000
Tapping equipment	2,500
<b>Total</b>	<b>24,500</b>

FUND: 553 - ENTERPRISE FUND  
 DEPT: 4553 - SEWER

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	291,335	160,542	155,757	159,608	126,632	162,946
010-002	Part Time Salaries	37,786	19,657	10,943	9,500	7,853	5,500
010-003	Overtime	5,909	6,020	6,656	5,000	3,419	4,000
015-000	Benefits	185,885	105,875	126,482	109,239	110,200	113,622
019-000	Operational Supplies	10,848	639	7,138	3,500	13,924	8,000
021-000	Office Supplies	1,651	2,667	2,287	2,500	897	1,000
022-000	Dept Oper Supplies(Chemicals)	56,089	43,261	38,746	49,537	20,801	35,000
022-008	Treatment Plant Repairs	22,193	3,309	15,575	14,537	27,530	30,000
022-012	Vehicle Fuel & Oil	12,799	8,739	6,723	7,000	2,732	5,000
022-015	Vehicle Repairs & Maint.	14,995	11,729	5,760	5,000	3,974	5,000
025-000	Small Tools & Equip	4,860	1,060	701	1,000	843	1,000
031-000	Professional Services	52,205	36,143	107,507	75,000	35,464	45,000
031-006	Waste Discharge Permit	31,273	55,157	54,957	65,000	68,167	69,000
031-007	Monitoring	5,450	15,138	13,749	12,000	15,012	16,125
031-009	Audit Services	12,500	12,500	13,843	14,000	14,000	14,000
032-001	Utilities - SCE	132,200	90,521	81,716	85,000	85,115	89,500
033-001	Communications / Alarm	12,153	10,349	9,824	8,500	8,176	8,500
034-000	Insurance	20,902	15,871	25,731	25,000	25,000	27,500
036-001	Emergency Line Repair	20,052	10,592	4,855	10,000	64,856	5,000
037-000	Other Services & Charges	14,014	20,439	19,502	30,000	20,780	22,000
037-004	Dues & Subscriptions	10,313	884	1,227	5,000	400	500
040-000	Street Improvement Program	430,136	365,874	350,531			0
038-002	Meetings & Travel	130	749	767	2,500	376	400
064-001	East/West Pond Monitoring	3,208	10,963		83000	(21,729)	13,314
<b>Operational Expenses</b>		<b>1,388,887</b>	<b>1,008,677</b>	<b>1,060,978</b>	<b>781,421</b>	<b>634,421</b>	<b>681,907</b>

\*Fees collected for the Street Improvement Fund will no longer be expensed to sewer, but accounted for within a separate ISF Fund

Transfers Out							
064-000	Capital Improvement				15,000		164,718
490-070	Capital Improvement Reserve				13,000		
070-000	Debt Srv Infrastructure	25,623	25,623	25,623	25,623		25,623
070-003	Debt Srv USDA Bond	323,470	323,470	323,470	323,470	323,470	323,470
<b>Total Transfers Out</b>		<b>349,093</b>	<b>349,093</b>	<b>349,093</b>	<b>377,093</b>	<b>323,470</b>	<b>513,811</b>

<b>Combined Exp</b>	<b>1,737,980</b>	<b>1,357,770</b>	<b>1,410,071</b>	<b>1,158,514</b>	<b>957,891</b>	<b>1,195,718</b>
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**Projects/equipment included in Emergency Line Repair**

Manhole repair Tulare/Ash \$10,000  
 Mainline repair Valencia/Mirage \$10,000

<b>FUND: 841 CURB&amp; GUTTER</b>							
023-000	Repair & Maint Supplies		325		-		-
065-028	Misc Sidewalk Projects			4,400		3,230	9,000
090-200	Transfer Out to CIP	32,529					
<b>SubTotal Curb&amp;Gutter</b>		<b>32,529</b>	<b>325</b>	<b>4,400</b>	<b>-</b>	<b>3,230</b>	<b>9,000</b>
<b>FUND: 572 WWTP RESERVE</b>							
090-200	Transfer to CIP					-	72,782
<b>SubTotal Storm Drain Sys</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,782</b>
<b>Total SEWER FUND</b>		<b>1,770,509</b>	<b>1,358,095</b>	<b>1,414,471</b>	<b>1,158,514</b>	<b>961,121</b>	<b>1,277,500</b>

FUND: 554 - ENTERPRISE FUND  
 DEPT: 4554 - REFUSE

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
010-001	Salaries	91,566	44,480	41,864	45,503	38,405	46,988
010-003	Overtime *Delete FY15	838	285	74		19	0
015-000	Benefits	50,612	26,321	25,558	31,143	24,278	32,765
022-000	Dept. Oper. Supplies	13,402	9,652	10,462	500	7,962	2,500
022-012	Vehicle Fuel & Oil	7,947	711	426	250	955	250
022-015	Vehicle Repairs & Maint.	3,784	1,221	2,110	1,500		1,000
031-009	Audit Services	12,500			500	500	500
033-001	Communications - GTE	3,977	3,207	3,467	3,000	2,748	2,000
034-000	Insurance	16,100		8,873	1,000	3,457	1,000
037-000	Other Services & Charges	350	154	2,065	500	785	250
037-004	Dues & Subscriptions *Delete FY15		127		200		0
037-005	JPA Dues	16,687	11,684	15,586	12,000	11,618	10,000
038-002	Training/Meetings *Delete FY15	197	121		500		0
040-000	Street Improvement Program	330,833	304,577	283,122			0
065-004	Contract Services	664,904	908,196	860,474	726,817	710,788	866,832
	<b>Operational Expenses</b>	<b>1,213,697</b>	<b>1,310,734</b>	<b>1,254,081</b>	<b>823,413</b>	<b>801,515</b>	<b>964,085</b>

\*Fees collected for the Street Improvement Fund will no longer be expensed to refuse, but accounted for within a separate ISF Fund

FUND: 8\*\* - SPECIAL REVENUE FUND  
 DEPT: ASSESSMENT DISTRICTS

EXPENSE

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
883-065-002	Sierra View	4225	10,787	18,382	17,861	9,709	18,850
884-065-002	Heritage Park	1893	6,580	6,749	6,600	6,970	7,550
885-065-002	Ingoldsby	3294	3,811	3,685	4,000	1,793	5,298
886-065-002	Samoa	1069	5,566	4,090	4,400	5,509	6,400
887-065-002	Sweet Brier Units	1962	13,204	7,961	6,500	8,359	6,500
888-065-002	Parkside	2469	9,217	6,339	7,300	5,769	8,200
889-065-002	Sierra Vista	0	12,947	352	200	876	200
890-065-002	Maple Valley			687	4,000	2,259	4,000
891-065-002	Pelous Ranch	26	5,672	12,435	19,700	11,865	19,700
<b>Total Combined Expense</b>		<b>14,938</b>	<b>67,784</b>	<b>60,680</b>	<b>70,561</b>	<b>53,108</b>	<b>76,698</b>
<b>8000</b>							
010-001	Salaries		18,172	17,635	29,122	19,838	36,831
015-000	Benefits		2,893	3,107	7,764	7,785	7,843
022-000	Dept. Oper. Supplies		5,105	16,082	8,000	3,055	6,349
022-012	Vehicle Fuel, Oil, Repair		17,264	4,201	5,000	3,331	5,000
032-001	Utilities:Lighting/Water		12,573	19,628	20,575	19,027	20,575
037-005	Wall Maint. & Repair		11,778	27	100	72	100
<b>Total Expenses Breakdown</b>		<b>0</b>	<b>67,784</b>	<b>60,680</b>	<b>70,561</b>	<b>53,108</b>	<b>76,698</b>

FUND: 556- SPECIAL REVENUE FUND  
 DEPT: 4556 - LAND APPLICATION

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 4/30/14	Council Approves FY 2015
010-001	Salaries	12,913	12,749	11,331	12,570	3,143	10,054
010-003	Overtime	698	623	816	650		0
015-000	Benefits	7,499	6,312	6,480	8,334	2,413	7,011
022-000	Dept. Oper. Supplies	35,667	3,624	4,184	3,500	2,789	3,500
031-000	Professional Services	10,557			2,500	6,659	7,000
034-000	Insurance	1,320		698		272	500
036-000	Repair & Maint Services		22,307		2,500		2,500
037-007	Permit Renewal	14,586	18,087	18,087	19,850		22,000
061-003	CCPI Lease Payment	43,200	21,600	21,600	21,600	21,600	21,600
<b>Operational Expenses</b>		<b>126,440</b>	<b>85,302</b>	<b>63,196</b>	<b>71,504</b>	<b>36,876</b>	<b>74,165</b>

*\*All expenses relative to this fund are reimbursed by the commercial end user that requires this service for operation  
 \*Lease payment of \$21,600 good until 2017; owner able to negotiate increase starting 2018*

FUND: 200 - ISF FUND EXPENSE  
 DEPT: 2000 - STREET IMPROVEMENT FUND

AC#	Description	Actual Expense FY 2011	Actual Expense FY 2012	Actual Expense FY 2013	Council Approved FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
090-200	Transfer to CIP Fund				224,624	224,624	810,564
090-200	Transfer to GF Streets				179,436	62,750	219,628
090-200	Transfer to Refuse						75,238
090-200	Transfer to Debt Srv Fund				73,566	52,964	73,566
	<b>Operational Expenses</b>	-	-	-	<b>477,626</b>	<b>340,338</b>	<b>1,178,996</b>

490-030	Reserve Fund Balance				268,976	618,946	136,472
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	Approved Activity SIP				746,602	959,284	1,315,468
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*\*REF: FY14 Budget Restricted General Fund Rev - these funds are now accounted for within an ISF that will maintain it's own Fund Balance to account for accrual of funds for future street improvement projects*

FUND: 200 - ISF FUND REVENUE  
 DEPT: 2000 - STREET IMPROVEMENT FUND

AC#	Description	Actual Revenue FY 2011	Actual Revenue FY 2012	Actual Revenue FY 2013	Council Approved FY 2014	Revenue Thru 5/12/14	Council Approves FY 2015
312-030	UB Charges for SIP	1,146,200	882,091	1,071,469	1,068,009	958,869	1,046,492
	<b>Fund Revenue</b>	<b>1,146,200</b>	<b>882,091</b>	<b>1,071,469</b>	<b>1,068,009</b>	<b>958,869</b>	<b>1,046,492</b>

490-030	Reserve Fund Balance						268,976
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	Approved Activity SIP				1,068,009	958,869	1,315,468
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*\*In accordance with Prop 218, a Public Hearing was held on April 13, 2004 to adopt the Street Improvement Program by incrementally adding 5.9% to the water, sewer, and refuse rates in four installments from June 2004 thru June 2007. This program was developed to provide a funding mechanism for on-going streets maintenance including reconstruction, overlay, and chip seal and charged to the water, sewer, and refuse funds that contribute to the degradation of the streets. Prior to FY14, the accounting method was to bill and collect the 23.6% as part of each UB fund, charge as an expense to the appropriate fund and recode as a revenue to the general fund for use in this program. In order to provide greater transparency and accountability for these funds, an Internal Service Fund (ISF) has been created to provide more detailed documentation regarding the portion of billing and collections allocated to the Streets Maintenance Program and track the Fund Balance which will provide greater accuracy for availability of funds for streets projects.*

FUND: 600  
 DEPT: CAPITAL IMPROVEMENTS

AC#	Description	Council Approves FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
Fund				
101	Parks - Equipment - Tractor/Mower	30,000	6,300	
101	Skate Park Relocation Project	40,000	23,752	
300	X-Fit Arena	30,000	30,000	
552	Water - SCADA System Upgrade	20,000	23,297	
552	Water - Misc Small Projects			24,500
552	Water - Laurel Ave Line Replacement	300,000		300,000
553	Sewer Fund - SCADA System Upgrade	10,000		0
553	Sewer Fund - Trailer Jetter			52,500
553	Sewer Fund - WWTP Pump Replacement			185,000
650	Park Improvements			0
101	Government Buildings			0
101	Public Safety Records Management			30,000
<b>* STREETS PROJECTS TOTAL BUDGET</b>		<b>740,000</b>		<b>1,170,564</b>
	Apia Street Overlay		84,461	
	Slurry Seal: Frazier, Gale Hill, Lewis & Elmwood, Mirage		245,651	
	Public Safety Parking Lot		6,580	
	Hickory & Parkside		16,665	
	Frazier & Valencia		106,918	
	Alameda Street Project		158,578	
	Sequoia Ave paved pathway		10,653	
	Hermosa Street Overlay		75,355	
	Measure R Project (Sequoia & Hickory)			607,417
<b>Total CIP Projects</b>		<b>1,140,000</b>	<b>788,210</b>	<b>2,369,981</b>

\* Streets Projects to be selected by Council throughout the fiscal year

Funding for FY 2013-14 CIP:			
Operating Transfers-In Source:	ORIGINAL	AMENDED	ACTUAL YTD
Street Improvement Fund	224,624		169,537
Transportation Fund	125,000		125,000
LTF FY13 o/s AR	229,956		229,956
STP Fund FY13 Carry Forward	105,210		105,210
Transfer from General Fund Tax Rebate		40,000	30,000
STP Fund FY14	105,210		105,210
Sewer Operations Fund	10,000		
Water Operations Fund	136,357		23,297
Water CIP Reserved Fund Balance	163,643		
<b>Total Transfers</b>	<b>1,100,000</b>	<b>1,140,000</b>	<b>788,210</b>
Funding for FY 2014-15 CIP:			
Operating Transfers-In Source:	Manager Proposed FY 2015	AMENDED	ACTUAL YTD
Street Improvement Fund	810,564		
Transportation Fund - Measure R Regional Projects	607,417		
LTF FY15	250,000		
Transfer from General Fund	30,000		
STP Fund FY15	110,000		
Sewer Operations Fund	164,718		
WW Capital Reserve Fund	72,782		
Water Operations Fund FY15	24,500		
Water CIP Reserved Fund Balance (FY14 Allocation Roll)	300,000		
<b>Total Transfers</b>	<b>2,369,981</b>		<b>0</b>

# DEBT SERVICE FUND

CITY OF LINDSAY  
SUMMARY OF DEBT SERVICE OBLIGATIONS FY 2014-15

DEBT DESCRIPTION	7/1/2014		ACCOUNT#	AMOUNT DUE IN FY	6/30/2015		
	BEGINNING BALANCE				ENDING BALANCE	PAY AMOUNT	PAYDATES
<b>GENERAL FUND</b>							
Streets	956,704	Principal	101-4130-090-500	52,422	904,282	18,391.50	09/30/14
TCAG Settlement	Per County	Interest	101-4130-047-001	21,144	P&I	18,391.50	12/31/14
Lender: TCTA	4/12/12	Total		<u>73,566</u>	P&I	18,391.50	03/31/15
Original Bal	1,048,000				P&I	18,391.50	06/30/15
Library	501,545	Principal	450-4500-047-002	15,718	485,827		
Library Landscape Loan	4.1250%	Interest	450-4500-047-001	21,254	P&I	10,699.02	11/12/14
Lender: USDA #97-12	5/12/10	Total		<u>36,972</u>	Interest Only	26,272.98	05/12/15
Original Bal	750,000						
<b>TRANSPORTATION</b>							
Transportation Department	1,315,307	Principal	263-4180-047-002	64,400	1,250,463		
Tulare Road Loan	4.5000%	Interest	263-4180-047-001	57,729	P&I	91,144.68	11/12/14
Lender: USDA #97-15	8/12/08	Total		<u>122,129</u>	Interest Only	30,984.32	05/12/15
Original Bal	16,000,000						
<b>ENTERPRISE FUNDS</b>							
Wellness Center	2,237,861	Principal	400-4400-047-002	38,197	2,146,012		
Wellness Center Loan	4.2500%	Interest	400-4400-047-001	93,157	P&I	85,751.54	07/20/14
Lender: USDA #97-13	7/20/07	Total		<u>131,354</u>	Interest Only	45,602.46	01/20/15
Original Bal	3,000,000						
<b>WATER FUND</b>							
Water Department	1,918,150	Principal	552-4552-047-002	47,534	1,870,616		
Water Plant Expansion Loan	3.2500%	Interest	552-4552-047-001	62,340			
Lender: USDA #91-06	12/11/00	Total		<u>109,874</u>	P&I	109,874.00	12/01/14
Original Bal	2,440,000						
Water Department	69,449	Principal	552-4552-047-002	12,016	57,433		
Water Clarifier Loan	0.0713%	Interest	552-4552-047-001	4,738	P&I	8,376.99	12/01/14
Lender: USBANK Bond	12/1/93	Total		<u>16,754</u>	P&I	8,376.99	06/01/15
Original Bal	197,054						
<b>WASTEWATER FUND</b>							
Wastewater Department	5,618,177	Principal	553-4553-047-002	140,879	5,477,298		
Sewer Plant Expansion Loan	3.2500%	Interest	553-4553-047-001	182,591			
Lender: USDA #92-04	11/29/99	Total		<u>323,470</u>	P&I	323,470.00	11/28/14
Original Bal	7,000,000						
Wastewater Department	415,858	Principal	553-4553-047-002	7,429	408,429		
Sewer Infrastructure Loan	4.3750%	Interest	553-4553-047-001	18,194			
Lender: USDA #92-09	6/28/04	Total		<u>25,623</u>	P&I	25,623.00	06/28/15
Original Bal	480,000						
<b>MCDERMONT FIELD HOUSE</b>							
McDermont Field House & Rec	1,750,000	Principal	300-4300-047-002	100,000	1,650,000		
US BANK Lease Bond	4.2500%	Interest	300-4300-047-001	95,825	P&I	148,975.00	12/15/14
Lender: USBANK Bond	11/1/12	Total		<u>195,825</u>	Interest Only	46,850.00	06/15/15
Original Bal	1,835,000						
		Total Principal Reduction		478,595			
		Total Interest Payable		556,972			

**CITY DEBT AGREEMENTS OUTSIDE AGENCIES**

Page Subtota **\$14,783,052**

**\$1,035,567**

**\$14,250,361**

DEBT DESCRIPTION	7/1/2014 BEGINNING BALANCE	ACCOUNT#	AMOUNT DUE IN FY	6/30/2015 ENDING BALANCE	PAY AMOUNT	PAYDATES
Compensated Absences	260,154	<i>Ending Leave Balance is Estimated</i>		246,646		N/A

CITY OF LINDSAY as SUCCESSOR AGENCY FOR FORMER RDA  
RORF DEBT SERVICE FY 2014-15

DEBT DESCRIPTION	7/1/2014 BEGINNING BALANCE	ACCOUNT#	AMOUNT DUE IN FY	6/30/2015 ENDING BALANCE	PAY AMOUNT	PAYDATES
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**REDEVELOPMENT OBLIGATION RETIREMENT FUND (RORF)**

California Housing Finance Agency

CalHFA Loan No. HELP-080803-06	1,250,000	Principal	660-0000-047-002	0	1,250,000	
Lender: CALHFA 3/30/04	1.5000%	Interest	660-0000-047-001	100,000	Interest Only	50,000.00 12/31/14
Original Bal 1,250,000		Total		<u>100,000</u>	Interest Only	50,000.00 06/15/15

California Housing Finance Agency

CalHFA Loan No. RDLP-090806-06	3,690,000	Principal	660-0000-047-002	0	3,690,000	
Lender: CALHFA 8/7/07	4.2500%	Interest	660-0000-047-001	50,000	Interest Only	25,000.00 12/31/14
Original Bal 3,690,000		Total		<u>50,000</u>	Interest Only	25,000.00 06/15/15

US BANK Tax Allocation Bond

2005 Bond Issue	3,925,000	Principal	660-0000-047-002	105,000	3,820,000	
Lender: USBANK Bond 4/14/05	4.0000%	Interest	660-0000-047-001	191,275	P&I	201,687.50 08/01/14
Original Bal 4,700,000		Total		<u>296,275</u>	Interest Only	94,587.50 02/01/15

2007 Bond Issue	6,895,000	Principal	660-0000-047-002	165,000	6,730,000	
Lender: USBANK Bond 8/1/07	3.8000%	Interest	660-0000-047-001	330,423	P&I	331,778.75 08/01/14
Original Bal 7,880,000		Total		<u>495,423</u>	Interest Only	163,643.75 02/01/15

2008 Bond Issue	3,270,000	Principal	660-0000-047-002	60,000	3,210,000	
Lender: USBANK Bond 8/1/08	4.0000%	Interest	660-0000-047-001	176,054	P&I	148,628.88 08/01/14
Original Bal 3,710,000		Total		<u>236,054</u>	Interest Only	87,426.88 02/01/15

2009 Bond Issue	1,000,000	Principal	660-0000-047-002	1,000,000	COH	353,812.55
Lender: USBANK Bond 10/1/09	5.4000%	Interest	660-0000-047-001	27,000	Bond Reserve	27,001.38 10/01/14
Original Bal 1,000,000		Total		<u>1,027,000</u>		646,186.00 Borrow from City
						<u>1,027,000</u>

<b>Total RORF Fund</b>	20,030,000	Principal		1,330,000	18,700,000	
		Interest		874,751		
July 1, 2014 Bonds Balance	15,090,000	Total		<u>2,204,751</u>		
		RPTTF Projected FY15		<u>1,400,634</u>		

REFY of 2009 Bond Issue	646,186	Principal	660-0000-047-002	100,045		
Lender: City Funds 10/1/14	4.5000%	Interest	660-0000-047-001	29,078	Interest Only	29,078.00 12/23/14
Original Bal 745,309		Total		<u>129,123</u>	Principal	100,045.00 05/15/15

*\*Will replace the 2009 Bond Issue Obligation eff 10-01-2014*

TULARE COUNTY AUDITOR

HSC Sec 34179.6 DDR-LMI	150,000	Principal	660-200-204	150,000	Principal	37,500.00 09/30/14
Original Bal 578,422					Principal	37,500.00 12/31/14
					Principal	37,500.00 03/31/15
					Principal	37,500.00 06/30/15

*\*Cash due County per DOF ruling 3/17/2013*

# ANNUAL DEBT LIMIT

**ANNUAL DEBT LIMIT  
FY 2014-15**

	TOTAL O/S DEBT	PAYMENTS IN FY15	SOURCE OF FUNDS
GENERAL FUND	1,458,249	110,538	UUT & SIP
TRANSPORTATION FUND	1,315,307	122,129	LOCAL MEASURE R
WELLNESS CENTER	2,237,861	131,354	USER CHARGES & PROGRAM REV
WATER FUND	1,987,599	126,628	USER CHARGES
WASTEWATER FUND	6,034,035	349,093	USER CHARGES
MCDERMONT FUND	1,750,000	195,825	USER CHARGES
 Total Subject to Debt Limit	 14,783,052	 1,035,567	
Owed to Successor Agency	2,820,678		
Total Debt Obligations - CITY	17,603,730	<u>\$1,035,567</u>	Revenue restricted to DEBT SERVICE - All Funds

CITY				ANNUAL DEBT LIMIT FY 2014-2015		
State law limits the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limit is \$18,638,009 based on the FY2013-14 Tulare County Certified Tax Base values.						
Per County Auditor Certified Value by Tax Base Report issued 9/04/2013		SECURED	UNSECURED	TOTAL		
		176,117,334	10,262,751	186,380,085		
Debt Incurral Margin (Formal)	3,854,957	Legally available for borrowing from outside agencies				

	Previous Year Values		
	SECURED	UNSECURED	TOTAL
Per County Auditor Certified Value by Tax Base Report issued 9/11/2012	183,243,447	10,057,028	193,300,475
Increase /Decrease	-7,126,113	205,723	-6,920,390
Increase /Decrease Property Tax Revenue			-69,204

Debt Incurral Margin FY14	3,929,550	Legally available for borrowing from outside agencies
Debt Incurral Margin FY15	3,854,957	Legally available for borrowing from outside agencies
Increase /Decrease	-74,593	Legally available for borrowing from outside agencies

# CAPITAL IMPROVEMENT FUND

FUND: 600  
 DEPT: CAPITAL IMPROVEMENTS

AC#	Description	Council Approves FY 2014	Expense Thru 5/12/14	Council Approves FY 2015
Fund				
101	Parks - Equipment - Tractor/Mower	30,000	6,300	
101	Skate Park Relocation Project	40,000	23,752	
300	X-Fit Arena	30,000	30,000	
552	Water - SCADA System Upgrade	20,000	23,297	
552	Water - Misc Small Projects			24,500
552	Water - Laurel Ave Line Replacement	300,000		300,000
553	Sewer Fund - SCADA System Upgrade	10,000		0
553	Sewer Fund - Trailer Jetter			52,500
553	Sewer Fund - WWTP Pump Replacement			185,000
650	Park Improvements			0
101	Government Buildings			0
101	Public Safety Records Management			30,000
<b>* STREETS PROJECTS TOTAL BUDGET</b>		<b>740,000</b>		<b>1,170,564</b>
	Apia Street Overlay		84,461	
	Slurry Seal: Frazier, Gale Hill, Lewis & Elmwood, Mirage		245,651	
	Public Safety Parking Lot		6,580	
	Hickory & Parkside		16,665	
	Frazier & Valencia		106,918	
	Alameda Street Project		158,578	
	Sequoia Ave paved pathway		10,653	
	Hermosa Street Overlay		75,355	
	Measure R Project (Sequoia & Hickory)			607,417
<b>Total CIP Projects</b>		<b>1,140,000</b>	<b>788,210</b>	<b>2,369,981</b>

*\* Streets Projects to be selected by Council throughout the fiscal year*

Funding for FY 2013-14 CIP:			
Operating Transfers-In Source:	ORIGINAL	AMENDED	ACTUAL YTD
Street Improvement Fund	224,624		169,537
Transportation Fund	125,000		125,000
LTF FY13 o/s AR	229,956		229,956
STP Fund FY13 Carry Forward	105,210		105,210
Transfer from General Fund Tax Rebate		40,000	30,000
STP Fund FY14	105,210		105,210
Sewer Operations Fund	10,000		
Water Operations Fund	136,357		23,297
Water CIP Reserved Fund Balance	163,643		
<b>Total Transfers</b>	<b>1,100,000</b>	<b>1,140,000</b>	<b>788,210</b>
Funding for FY 2014-15 CIP:			
Operating Transfers-In Source:	Manager Proposed FY 2015	AMENDED	ACTUAL YTD
Street Improvement Fund	810,564		
Transportation Fund - Measure R Regional Projects	607,417		
LTF FY15	250,000		
Transfer from General Fund	30,000		
STP Fund FY15	110,000		
Sewer Operations Fund	164,718		
WW Capital Reserve Fund	72,782		
Water Operations Fund FY15	24,500		
Water CIP Reserved Fund Balance (FY14 Allocation Roll)	300,000		
<b>Total Transfers</b>	<b>2,369,981</b>		<b>0</b>

# Capital Improvement Program

## CITY OF LINDSAY

### YEAR 2014/2015

#### Water (Water enterprise funds)

1	Well 11 Project (water treatment plant)	\$12,750,000	Long term solution
1a.	Well 11 Project (filtration/blend project) (PIng.)	\$120,000	SRF
2	Well 15 Pipeline Project (Planning)	\$120,000	SRF
3	Well 14 Filtration Project (Planning)	\$90,000	SRF
4	Water main line replacement		
	a. 8" size, 1300 LF,	\$275,000	Lafayette Avenue
5	SCADA Expansion	\$25,000	(pH, high Cl2 alarm)
6	Full size truck	\$25,000	(State program)

#### Sewer (Sewer enterprise funds)

1	Main line replacement;		
	a. 6" size, 350 LF,	\$150,000	Tulare Rd./Third Street
2	Wastewater Treatment Plant Projects		
	a. Headworks Lift Pumps	\$185,000	
	b. Trailer mounted jetter	\$52,000	
3	Pump Replacement (WWTP)	\$25,000	
4	SCADA Expansion	\$15,000	
5	Tractor and disc	\$29,000	

#### Storm Drain System (Sewer enterprise funds)

1	Orange Avenue Storm Drain and Harvard Park basin improvements	\$200,000	
2	Miscellaneous mainline vac/jet	\$15,000	Olive Avenue, Harvard Avenue

#### Streets Projects (Gas Tax, streets funds)

See attached list

#### Miscellaneous Improvement Projects

1	Sequoia Avenue pedestrian project	\$365,000	Measure R
2	Hickory Street pedestrian project	\$290,000	Measure R
3	Wellness Center Parking Lot seal/stripe	\$12,000	
4	Aquatics Center Cehmical Injection pumps	\$10,000	
5	City Golf Course Roof Replacement	\$15,000	

# Capital Improvement Program

## YEAR 2015/2016

### Water (Water enterprise funds)

1	Well 14 Filtration project (construction)	\$800,000	SRF
2	Well 15 Pipeline Project (construction)	\$385,000	SRF
3	Water treatment plant filter bank renovations	\$800,000	
4	Primary disinfection renovation at canal	\$250,000	SRF
5	Water main line replacement		
a.	6" size, 320 LF	\$175,000	Denver Court
6	Pneumatic air compressor	\$12,500	

### Sewer (Sewer enterprise funds)

1	Main line replacement;		
a.	8" size, 550 LF	\$175,000	
2	Wastewater Treatment Plant Projects		
a.	Drying Beds Renovate	\$150,000	
b.	Clarifier repairs	\$75,000	

### Storm Drain System (Sewer enterprise funds)

1	Miscellaneous basin improvements	\$125,000	
2	Miscellaneous mainline vac/jet	\$25,000	

### Streets Projects (Gas Tax, streets funds)

See attached list

### Miscellaneous Improvement Projects

1	Olive Bowl/Kaku Park Renovation	\$200,000	(RR, paving, trees, irrig. System)
2	Westwood/Hermosa Roundabout	\$375,000	Congestion, Mitigation & Air Quality
3	City Sign Renovation	\$100,000	
4	McDermont Center		McDermont Enterprise
a.	Parking lot paving	\$25,000	
b.	Laundry room addition	\$25,000	(1 industrial washer & dryer and room)

# Capital Improvement Program

## YEAR 2016/2017

### Water (Water enterprise funds)

1	Canal turnout upgrades	\$750,000
2	Well 14 Variable Frequency Drive	\$80,000
3	Water Storage Tank Renovation	\$250,000
	Water main line replacement	
	a. 8" size, 1300 LF,	\$325,000

### Sewer (Sewer enterprise funds)

1	Main line replacement;	
	a a. 6" size, 1,100 LF,	\$300,000
	b. Oxidation Ditch Repairs	\$300,000
2	Wastewater Treatment Plant Projects	
	a. Mechanical bar screen for east bar scree	\$80,000
	a. Building Addition/Renovation	\$300,000
	a. Equipment replacement	\$500,000

### Storm Drain System (Sewer enterprise funds)

1	Miscellaneous mainline vac/jet	\$25,000
---	--------------------------------	----------

**Update Sewer, Water, Storm Drain Master Plans** \$425,000

### Streets Projects (Gas Tax, streets funds)

See attached list

### Miscellaneous Improvement Projects

1	Corporation Yard improvements	\$250,000
2	City Hall Renovations (glazing)	\$250,000
3	Aquatic Center, Pool maintenance	\$20,000
4	McDermont Center Misc. Repairs	\$50,000
	City Hall Renovations (electrical, mech.)	\$400,000

# Capital Improvement Program

## YEARS 2018/2020

### Water (Water enterprise funds)

- |   |                             |           |
|---|-----------------------------|-----------|
| 1 | Water main line replacement |           |
|   | a. 8" size, 1300 LF         | \$300,000 |

### Sewer (Sewer enterprise funds)

- |   |                       |           |
|---|-----------------------|-----------|
| 1 | Main line replacement |           |
|   | a. 6" size, 1,100 LF, | \$300,000 |
|   | b. 8" size, 550 LF,   | \$175,000 |

### Storm Drain System (Sewer enterprise funds)

- |   |                                       |          |
|---|---------------------------------------|----------|
| 1 | Storm Drain Main line improvements    |          |
|   | a. Miscellaneous mainline replacement | \$75,000 |
|   | b. Miscellaneous mainline jet/vac     | \$40,000 |

### Streets Projects (Gas Tax, streets funds)

See attached list

### Miscellaneous Improvement Projects

- |   |                                |           |
|---|--------------------------------|-----------|
| 1 | City property improvements     | \$300,000 |
| 2 | City Hall Renovations          | \$300,000 |
| 3 | Aquatic Center, heater upgrade | \$65,000  |
| 4 | McDermont Center Misc. Repairs | \$150,000 |

Jun-14									
Major Street Projects List									
<i>No.</i>	<i>Street</i>	<i>Type Const.</i>	<i>from</i>	<i>to</i>	<i>Est. Cost, NPR</i>	<i>Est. Cost, PR</i>	<i>Notes</i>		
**	Valencia Street	Grind in place recycling (GIPR)	Harvard Avenue	AT&SF RR Tracks	\$25,000	\$33,000			
1*	Mirage Avenue	Grind in place recycling (GIPR)	Samoa St	Hermosa St.	\$165,000	\$227,700			
2*	Hermosa Street	GIPR	Mirage Ave	Harvard Ave	\$630,000	\$869,400			
2*	Hermosa Street	Rubberized overlay	Mirage Ave	Harvard Ave	\$725,000	\$1,000,500	grant application submitted (\$129,500)		
3*	Hermosa Street	Chip/Sealing	State Hwy. 65	Mirage Ave	\$200,000	\$276,000			
4*	Gale Hill Avenue	GIPR	Hermosa St	Tulare Rd	\$325,000	\$448,500			
5*	Mirage Avenue	GIPR	Hermosa St	Tulare Rd	\$325,000	\$448,500			
6*	Blue Gum Avenue	Reconstruct	Center Street	Blue Gum Ave	\$275,000	\$379,500			
7*	Center Street	GIPR	Sweet Brier Ave	Mirage Ave	\$68,000	\$93,840			
8*	Mt Vernon Avenue	Patch pave/Sealing	Hermosa St	Lewis St	\$180,000	\$250,000			
9*	Ashland/Frazier/Eastwood	Sealing			\$35,000	\$48,300			
10*	Foothill/Tulare	intersection rehab			\$43,000	\$59,340			
11*	Honolulu/Harvard	intersection rehab			\$35,100	\$48,438			
12*	Foster Avenue	GIPR	Apia St	Lindsay St	\$86,000	\$118,680			
13*	Lindsay Street	GIPR	Foster Ave	Locke Ave	\$226,000	\$311,880			
14*	Locke Avenue	GIPR	Lindsay Ave	Valencia St	\$112,000	\$154,560			
15*	Samoa Street	GIPR	Mt Vernon Ave	Olive Ave	\$123,000	\$169,740			
16*	Honolulu Street	GIPR	Mt Vernon Ave	Ashland Ave	\$128,000	\$176,640			
17	Tulare Road	SAMI/Seal	Sequoia/RR	Elmwood Ave	\$50,000	\$69,000			
18	Tulare Road	AC replace/seal	Elmwood Ave	Homassel Ave	\$40,000	\$55,200			
19	Oxford Avenue	GIPR	Honolulu St	Hermosa St	\$275,000	\$379,500			
Street Improvement Project List									
	<i>Street</i>	<i>Type Const.</i>	<i>from</i>	<i>to</i>		<i>Notes</i>			
1*	Kern Street	xgutter/HC ramp install	at Van Ness Ave		\$20,000				
2*	Kern Street	xgutter/HC ramp install	at Central Ave		\$20,000				
3*	Foothill Avenue	light tower planters	at LHS stadium		\$18,000				
* signifies project from previous fiscal years, listed in chronological order									
** Contingent on Vita Pak project									

# OPERATING TRANSFER SCHEDULE

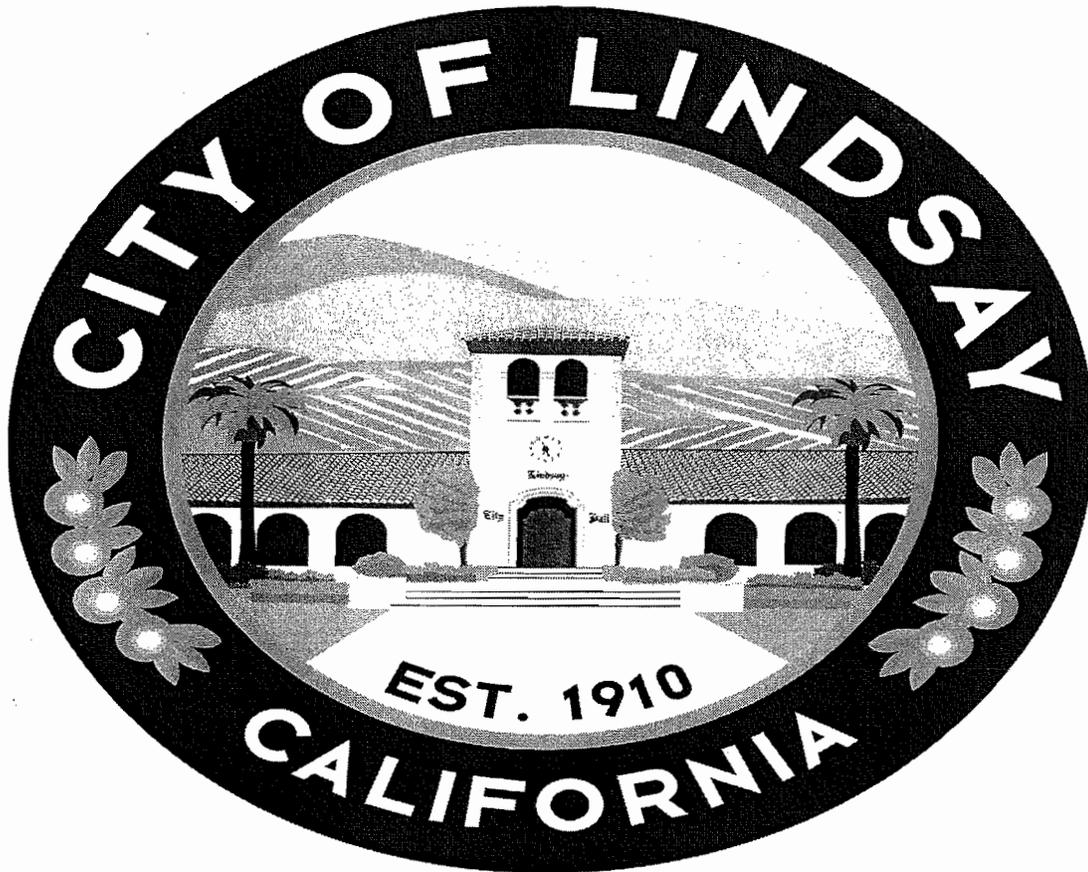
SUMMARY OF INTERFUND TRANSFERS IN  
FY 2014-15

FUND TYPE	FUND	AMOUNT	FUND	PURPOSE OF TRANSFER
OPERATING TRANSFERS	TRANSFERRED IN TO	TRANSFERRED	TRANSFERRED OUT FROM	
General Government:	General	219,628	Street Improvement Fund	To fund Streets Maintenance
	General	73,566	Street Improvement Fund	To pay TCTA Debt Service for Downtown Costs
	<b>Total General Gov't Fund Transfers</b>	<b><u>293,194</u></b>		
Enterprise:	McDermont Field House	287,908	General Fund	To Fund Recreation Programming
	Wellness Center	6,000	McDermont Field House	McDermont Contribution for Pool Use
	Refuse	75,238	Street Improvement Fund	To offset deficit
	<b>Total Enterprise Fund Transfers</b>	<b><u>369,146</u></b>		
Capital Improvement Fund:	Capital Improvement	810,564	Street Improvement Fund	To fund CIP activity
	Capital Improvement	607,417	Transportation Fund - Measure R	To Fund Regional Measure R (Hickory/Sequoia)
	Capital Improvement	250,000	Transportation Fund - LTF	To fund CIP activity
	Capital Improvement	30,000	General Fund	To Fund Public Safety Records Sysytem Update
	Capital Improvement	110,000	Surface Transportation Fund	To fund CIP activity
	Capital Improvement	164,718	Sewer Fund	To fund CIP activity: Jetter Trailer & WWTP Pumps
	Capital Improvement	72,782	WW Capital Reserve Fund	To fund CIP activity: Jetter Trailer & WWTP Pumps
	Capital Improvement	24,500	Water Fund	To fund CIP activity - water lines
	Capital Improvement	300,000	Water Fund - Reserved FB	FY14 Allocation Roll Forward - Laurel Ave Project
	<b>Total Capital Improvement Fund Transfers</b>	<b><u>2,369,981</u></b>		
	<b>TOTAL OPERATING TRANSFERS IN</b>	<b><u><u>3,032,321</u></u></b>		

SUMMARY OF INTERFUND TRANSFERS OUT  
FY 2014-15

FUND TYPE	FUND	AMOUNT	FUND	PURPOSE OF TRANSFER
OPERATING TRANSFERS	TRANSFERRED OUT FROM	TRANSFERRED	TRANSFERRED IN TO	
General Government:	General	287,908	McDermont Field House	To Fund Recreation Programming
	General	<u>30,000</u>	Capital Improvement	To Fund Public Safety Records Sysytem Update
	<b>Total General Gov't Fund Transfers</b>	<b>317,908</b>		
Enterprise:	McDermont Field House	6,000	Wellness Center	McDermont Contribution for Pool Use
	Sewer	164,718	Capital Improvement	To fund CIP activity: Jetter Trailer & WWTP Pumps
	WW Capital Reserve Fund	72,782	Capital Improvement	To fund CIP activity: Jetter Trailer & WWTP Pumps
	Water Fund	24,500	Capital Improvement	To fund CIP activity - water lines
	Water Fund - Reserved FB	<u>300,000</u>	Capital Improvement	FY14 Allocation Roll Forward - Laurel Ave Project
	<b>Total Enterprise Fund Transfers</b>	<b>568,000</b>		
Special Revenue:	Transportation	857,417	Capital Improvement	To Fund CIP activity
	Surface Transportation Fund	<u>110,000</u>	Capital Improvement	To Fund CIP activity
	<b>Total Special Revenue Fund Transfers</b>	<b>967,417</b>		
Internal Service Fund:	Street Improvement Fund	810,564	Capital Improvement	To Fund CIP activity
	Street Improvement Fund	219,628	General Fund	To Fund Streets Maintenance
	Street Improvement Fund	75,238	Refuse Fund	To offset deficit
	Street Improvement Fund	73,566	General Fund	To pay TCTA Debt Service for Downtown Costs
	<b>Total Internal Service Fund Transfers</b>	<b>1,178,996</b>		
	<b>TOTAL OPERATING TRANSFERS OUT</b>	<b><u>3,032,321</u></b>		

# POLICIES AND PROCEDURES



# CITY OF LINDSAY

## FINANCIAL MANAGEMENT AND ACCOUNTING PROCEDURES

&

## INTERNAL CONTROLS POLICY

(January 2012)

Last Update: 10-30-2013

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Revision Date: 1-12-2012  
City Manager Approval Date: 1-26-2012  
City Council Approval Date: 4-10-2012  
City Council Approval Date: 11-12-13

**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 Accounting Procedures Manual is intended to be a guide of the fiscal 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 documentation; and to establish a uniform and systematic accumulation of information and statistical data necessary to fulfill the financial and accounting requirement 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 Legislation 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, McDermont Field House, 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 Principals

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 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 measureable 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 grant applications must be pre-approved by the governing body. All draw requests for awarded grants must be approved by the Director of Finance prior to submission.

### **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 cash receipts shall be processed in accordance with the following procedures:

#### **Mail receipts**

- A. Checks or warrants received by mail shall be channeled by the mail clerk to the front desk clerk for input into the accounting system via the receipts manager software.
- B. Supporting documentation accompanying a check or warrant shall be stamped with the date of receipt. Any payment not including supporting documentation shall be verified with the sender and the supporting documentation shall be created by staff.
- C. Staff shall identify the remittance and shall affix the proper fund number and revenue code to the supporting documentation, if needed; all utility and business license payments shall be recorded via the accounting software system using their identifying account numbers.

- D. 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.
- E. The check or warrant 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 work day when a second clerk shall balance the daily transaction register and compile the receipts for deposit to the bank the next business day.

#### Over the Counter and Cash receipts

- A. The front register shall maintain a beginning cash balance of \$500 which is to be verified at the beginning of the work day and again at the end of the work day.
- B. 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.
- C. A second register with a beginning cash of \$50 shall be maintained in a locked cabinet in the vault for use during the time the main front desk clerk goes to lunch or on break. That register will use register 2 as a code and be balanced separately after the last break of the day. This will ensure if there is an over or short, the clerk responsible can be identified so the condition can be rectified.
- D. 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.

#### Non-Finance Department Receipt Procedure

- A. McDermont Field House shall utilize the night-drop box at the Bank of the Sierra daily to deposit receipts received and reconciled to the Enbed accounting system; remittance detail shall be forwarded to the Finance Department, with the appropriate support detail, the next business day following the intake of the receipts.
- B. 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 cabinet to which only the Wellness Director shall have the key.
- C. The Public Safety Department shall be on the same weekly remittance schedule for all receipts received in that Department and shall maintain the receipts in a locked cabinet prior to remittance to the Finance Department.
- D. 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.

## Balancing the Transaction Ledger & Bank Deposits

- A. 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.
- B. 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.
- C. 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.
- D. A clerk, other than the one who balanced the work and prepared the deposit, shall take the deposit to the bank. 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 shall maintain a binder of the daily deposits and interface and post the cash receipts to the general ledger.
- E. 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.

## **ARTICLE III. EXPENDITURES**

### Section 1. PAYROLL

- A. 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.
- B. 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*)
- C. 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.
- D. 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

- A. 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.
- B. 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.
- C. 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*)
- D. The Director of Finance shall review, verify and approve all expense claims.
- E. 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.
- F. 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 rate 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:
  - a. Breakfast on the first day if trip started at, or before, 6am
  - b. Lunch on the first day if trip started at, or before, 11 am
  - c. Dinner on the first day if trip started at, or before, 5pm
  - d. Breakfast on the last day if trip ended at, or after, 8am
  - e. Lunch on the last day if trip if ended at, or after, 2pm
  - f. Dinner on the last day if trip ended at, or after, 7pm
- G. 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.
- H. 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.**
- I. 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 in order 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 that 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

- A. 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 both the department supervisor and the department head.
- B. 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.
- C. The Accounts Payable clerk shall attach a cover sheet to all invoices being processed for payment. The cover sheet shall contain the name and indentifying number of the vendor, the invoice number, coding to the appropriate GL number based on the codes provided by the approving department, and a brief description of the charge.
- D. 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.
- E. 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 Act Clerk III in charge of the Accounts Payable module. The Director of Finance, or her 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.
- F. Once printed, the Director of Finance shall personally sign each warrant. A warrant register shall be printed for review and approval by the mayor and maintained with the AP journal. 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 so authorized to sign. All check runs – payroll and accounts payable – are to be reviewed and initialed by one of the city council members prior to release.
- G. 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

- A. A copy of the warrant register shall be reviewed and approved by the mayor or other authorized signer of the bank account or other member of the governing body.

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

- A. 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 Director. 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: The Director of City Services and the City Manager are the only exceptions to the 48-hour rule and may maintain their cards in their possession.
- B. 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.
- C. 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.
- D. 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.
- E. 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 ASSETS

#### 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 of at least three years. The primary purpose of accounting for fixed assets shall be as follows:

- (a) To safeguard and track investments;
- (b) To assign custodial responsibility;
- (c) To aid in scheduling future asset retirement and acquisition;
- (d) To supply financial reporting data;
- (e) 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 \$1000, 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

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 tacking spreadsheet is updated continually and is periodically reviewed by the Director of Finance to ensure compliance with the grant award agreement.

## **PURCHASING POLICY**

### ARTICLE I. RESPONSIBILITY AND CONTROL

#### Section 1. GENERAL RESPONSIBILITY

Except as otherwise specified, the Finance Director shall be deemed responsible for all purchases of and contract execution for materials, supplies, furnishings, equipment and services required by the City of Lindsay in the performance of daily operations.

#### Section 2. EXPENDITURE CONTROL

Once the annual operating budget has been adopted by the Council, it shall be considered the controlling documentary plan of expenditure. As such, purchases and acquisitions shall be processed within the limitations established by the amount of budgeted resources allocated to each object classification by the City of Lindsay.

### ARTICLE II. REQUISITION, PURCHASING, PROCUREMENT AND CONTRACTING PROCEDURES

#### Section 1. PURCHASE ORDERS AND REQUISITION OF SUPPLIES

The following procedures will be used: First, check with the responsible finance clerk to determine if the item needed is in stock. If the item is in stock, the responsible finance clerk will obtain it and deliver it. If the item is not in stock, and is needed immediately, the responsible finance clerk will request approval of the Finance Director to purchase the item(s).

If the item can be purchased through an existing vendor charge account established between the City of Lindsay and a vendor i.e. Office Depot, the responsible finance clerk will place the order. If the item(s) must be ordered from another vendor with whom the City does not have an open charge account, the requesting department shall fill out the 3 part-pre-numbered COL purchase order (see Exhibit No. 3 *Purchase Order Form*) which will include the following information: description of the item(s), purchase price including applicable sales tax and delivery fees, GL expense line to which the item will be charged, initiating department's Director's signature of approval, Director of Finance signature of approval and City Manager's signature of approval. The initiating department shall keep a copy and a copy shall be forwarded to the accounts payable desk. Only personnel of mid-management or management rank are authorized to purchase on behalf of the City or to designate a department staff to make the purchase on their behalf according to the guidelines set herein.

After the purchase is made, receipts and packing slips will be returned to the department supervisor for coding. All merchandise will be inspected by the requesting department. If the order is incomplete or unacceptable the responsible staff will take steps to clear up any

discrepancies. The receipt, after department head inspection, coding and approval, will be channeled to the proper finance clerk for payment.

All invoices will be submitted to the Finance Director who will approve for payment. The account clerks will match the purchase order, receipt and or packing slip and invoice to keep on file.

Section 2. BIDDING PROCEDURES RELEVANT TO RFP, RFB, RFQ

- a. Unless otherwise ordered by resolution of the City Council, all supplies, materials, equipment and services shall be purchased from the lowest reasonable bidder after taking written bids if the estimated total cost of the commodities or services required from a class of vendors exceeds the sum of Fifty Thousand Dollars (\$50,000.00). However the Purchasing Agent is not required to call for bids for the following transactions:
  - i. Repair parts for motor vehicles and construction equipment, and gasoline, diesel fuel and other petroleum products used in and for motor vehicles.
  - ii. Fixing the prices to be paid to newspapers for advertising.
  - iii. Contracting for transportation services at the minimum rates established by the Public Utilities Commission of the State of California.
  - iv. Purchase of services, with or without, the furnishing of material from independent contractors.
  - v. Purchase of personal property or services from price lists of other State governmental entities where such price lists have been compiled in such a manner as to insure the lowest prices available to the City of Lindsay.
- b. Written invitations for bids shall contain the date and hour of bid opening, the name of the department to be supplied, the requisition number, delivery date, quantities and complete specifications or descriptions of the items or services to be supplied. The purchasing agent shall mail or tender an invitation for bid to any prospective bidder requesting the specific invitation; and it is desirable generally to seek bids from a reasonable number of prospective bidders. Copies of the written invitations for bids shall be posted on a bulletin board available to the public, and bids shall be opened and read in public on the date and hour specified in each invitation for bids.
- c. In the event the lowest complete bid is rejected and the award is made to a higher bidder, the reasons for such action shall be set forth in a memorandum and attached to the rejected bid.
- d. Notwithstanding the necessity for bids, if bids have been solicited by the purchasing agent, as required by the article, and no bids have been received, or it is determined by the purchasing agent that it would not be in the best interest of the City of Lindsay to accept a bid because the bids received are in excess of the budgetary funds available for the purchase, or are not representative of the price for which the required commodity or service is available, the purchasing agent may reject all bids and solicit

new bids, or may negotiate with individual vendors to obtain the commodity or service under terms that serve the best interest of the City of Lindsay.

- e. Contractors will be checked against HUD's federally debarred list of contractors also known as the Excluded Parties List System (EPLS), prior to making an award for any federally funded projects. Contracts subject to the Davis Bacon requirement shall be made in accordance with the provisions contained within the separate DB policy that is also a part of this overall policy manual. (Reference Attachments: Davis Bacon Policy)
  
- f. Bids shall be kept on file for a period of four (4) years. Thereafter, they may be destroyed.

### Section 3. INSTRUCTIONS TO BIDDERS

Failure to respond to bid may constitute removal from bidder's list. If unable to provide the commodities stated herein, bidder shall return bid prior to closing date stating the reason why unable to provide bid.

#### 1. Preparation of bids

- (a) All information requested of the bidder shall be entered in the appropriate space(s) on the form. Failure to do so may disqualify your offer.
- (b) All information shall be typewritten or entered in ink. Mistakes may be crossed out and corrections inserted before submissions of your bid. Corrections shall be initialed in ink by the person signing the bid.
- (c) Correction and/or modifications received after the closing time specified will not be accepted.
- (d) Bids will not be accepted unless signed in ink (not typed) in the appropriate space(s) by an authorized officer or employee of the bidder.
- (e) Bids must be submitted by the closing date or prior to the time specified to be considered. No telegraphic, facsimile or telephone bids will be accepted.
- (f) Any bids received after the closing date shall be returned, unopened, to the bidder.
- (g) Submit bid only in a sealed envelope with the bid number and closing date on the outside of the envelope.
- (h) All bids must conform to project guidelines, as stated in the request for bid (RFB)
- (i) Bid prices shall remain open and valid subject to acceptance for sixty (60) days after bid closing date.

- (j) Prices bid shall remain firm for a minimum of 120 days from the award to cover subsequent purchase requirements.
- (k) Prices bid by bidder are considered accurate and cannot be withdrawn after the bid is closed.
- (l) Upon submission of bid documents, all such documents shall become the property of the City of Lindsay.
- (m) Time of delivery shall be stated as the number of calendar days following receipt of the order by the bidder, to the receipt of the good or services by the City of Lindsay. Time of delivery may be a consideration in the award.
- (n) Prices will be considered as net if no cash discount is shown.
- (o) Provide any other information not specifically requested which may be considered by the purchasing agent. (Purchasing agent is not obligated to consider any information not specifically requested in this bid request.)
- (p) The City of Lindsay generally solicits bids from a wide variety of bidders which may include retailers, wholesalers, suppliers, distributors, etc.

## 2. Brand Names/Quality

- (a) Brand names and numbers, when used, are for reference to indicate the character or quality desired.
- (b) Equal items will be considered, provided your offer clearly describes the article. Offers for equal items shall state the brand and number (or level of quality if item cannot be identified by brand and number).
- (c) Equal items will not be considered if identical supply has been determined a necessity and the notation NO SUBSTITUTE has been entered.
- (d) When brand, number, or level of quality is not stated by the bidder, it is understood the offer is exactly as specified.
- (e) The purchasing agent shall, in all instances, be the final judge in determining whether the items bid are acceptable to the City of Lindsay, and whether the items bid are equal in quality and utility to the specified articles.

## 3. Samples

- (a) Samples of articles, when required, shall be furnished free of cost of any sort to the City of Lindsay.
- (b) Samples of articles selected may be retained for future comparison.
- (c) Samples which are not destroyed or consumed by testing, or which are not retained for future comparison will be returned upon request at bidder's expense.

#### 4. Quantity & Quality of Materials or Services

The successful bidder shall furnish and deliver the quantities designated by the purchasing agent. Packing slips which clearly identify the merchandise and a listing of the City of Lindsay's purchase order number must accompany every delivery. All materials, supplies or services furnished under contract or purchase order shall be in accordance with the county specifications. Materials or supplies which, in the opinion of the purchasing agent, are not in accordance and conformity with such specifications shall be rejected and promptly removed from the City of Lindsay's premises at the bidder's or contractor's expense.

#### 5. Award

The City of Lindsay reserves the right: (1) to award bids received on the basis of individual items, or groups of items, or on the entire list of items; (2) to reject any, or all bids, or any part thereof; (3) to waive any informality in the bids; (4) to make partial awards or award to more than one vendor ( if your bid prices are based only on an "all or none" award you must so specify in your bid); and (5) to accept the bid that is in the best interest of the City of Lindsay. The purchasing agent's decision shall be final. A combination of the following factors will be considered in awarding this bid. These factors are not necessarily listed in order:

- (a) Prices – the lowest price with the acceptable quality level shall be given priority.
- (b) Bidder's previous record of performance and service.
- (c) Ability of bidder to render satisfactory service in this instance.
- (d) Quality and conformance to specifications.

The City of Lindsay shall be the sole judge in making this determination.

#### 6. Rights to Reject Bids & Sole Source Procedure

The City of Lindsay purchasing agents reserve the right to reject any and all bids and to waive any informalities or irregularities in the bid process if it is determined it is in the best interests of the City when none of the bids meet the RFP, RFB, or RFQ criteria. In the case there is only one bid that meets the criteria, the Department Head seeking the service or material shall follow proper procedures for requesting a "Sole Source" award which includes written documentation to be presented to Council to request authorization to award a "sole source" contract. If project funding includes any federal, state, county or restricted grant funding, approval from the funding source must also be obtained, in writing, prior to proceeding with the award of a sole source contract.

#### 7. Indemnification

- (a) The bidder or contractor shall hold the City of Lindsay, its officers, agents, and employees harmless from liability of any nature or kind because of the use of any copyrighted composition, secret process, patented or unpatented invention, articles or appliances furnished or used under this bid, and agrees to defend, at

bidder's own expense, any and all actions brought against the City of Lindsay or bidder because of the unauthorized use of such articles.

- (b) Contractor shall hold harmless, defend and indemnify the City of Lindsay, its agents, officers and employees from and against any liability, claims, actions, costs, damages, or losses of any kind, including death or injury to any person and/or damage to any property, including City of Lindsay property arising out of the acts or omissions of contractor or its agents, officers and employees under this contract. This indemnification specifically includes any claims that may be made against City of Lindsay by any taxing authority asserting that an employer-employee relationship exists by reason of this contract, the cost of any penalty or sanction imposed by any agency with regulatory authority over the activities carried out by the contractor, and any claims made against the City of Lindsay alleging civil rights violations by the Contractor under Government Code sections 12920 et Seq. (California Fair Employment and Housing Act). Contractor specifically agrees to hold harmless and indemnify the City of Lindsay for any and all claims arising out of any injury, disability, or death of contractor's employees or agents. This indemnification obligation shall continue beyond the term of this contract as to any acts or omissions occurring under this contract or any extension of this contract.

#### 8. Independent Contractor Status

This contract is entered into by both parties with the express understanding the contractor will perform all services required under this contract as an independent contractor. Nothing in this contract shall be construed to constitute the contractor or any of its agents, employees or officers as an agent, employee or officer of the City of Lindsay. Contractor agrees to advise everyone it assigns or hires to perform any duty under this contract that they are not employees, agents or officers of the City of Lindsay. Contractor shall be solely responsible for determining the means and methods of performing the specified services and the City of Lindsay shall have no right to control or exercise any supervision over contractor as to how the services will be performed. As the contractor is not a City of Lindsay employee, the contractor is responsible for paying all required state and federal taxes. In particular, the City of Lindsay will not:

- (a) Withhold FICA (Social Security) from contractor's payments.
- (b) Make state or federal unemployment insurance contributions on contractor's behalf.
- (c) Withhold state or federal income tax from payments to contractor.
- (d) Make disability insurance contributions on behalf of contractor.
- (e) Obtain unemployment compensation insurance on behalf of contractor.

Notwithstanding this independent contractor relationship, the City of Lindsay, through the purchasing agent, shall have the right to designate the sites at which services are to be performed, and to monitor and evaluate the performance of contractor to assure

compliance with this contract and that the independent contractor is in possession of all current licenses required by the City and other governing agency, if applicable.

#### 9. Cash Discounts

In connection with any cash discount specified on this bid, time will be computed from the date of complete delivery of the supplies or equipment as specified, or from date correct invoices are received if the latter date is later than the date of delivery. For the purpose of earning the discount, payment is deemed to be made on the date of mailing of the City of Lindsay warrant check.

#### 10. Default by Bidder

- (a) Rights and remedies of the City of Lindsay for default: In case of default by bidder, the City of Lindsay may procure the articles of service from another source and may recover the loss occasioned thereby from any unpaid balance due the bidder or by proceeding against the bidder's performance bond, if any, or by suit against the bidder. The prices paid by the City of Lindsay shall be considered the prevailing market price at the time such purchase is made.
- (b) Inspection of deliveries or offers for delivery, which do not meet specifications, will be at the expense of bidder.

#### 11. Cancellation

The City of Lindsay reserves the right to cancel all purchase orders or agreements with due cause giving a ten day written notice, or may cancel without cause giving a thirty day written notice. Purchase orders or agreements which extend into a subsequent fiscal year will automatically cancel if the City of Lindsay does not appropriate funds for the goods and/or services under the purchase order or agreement.

#### 12. Non-Funding Clause

Funds provided for commodities or services under the terms of this bid are contingent on availability of public funds. Should sufficient funds not be allocated during those terms, amounts due may be modified or terminated at any time by the City of Lindsay upon (30) days notice. Notice shall be fully given in writing or through service in person or by first class mail.

### Section 4. PROFESSIONAL CONSULTANT SELECTION PROCEDURE

The purpose of this policy is to establish an open, fair and competitive process for selection of qualified professional consultants to perform work for the City of Lindsay. A Request for Qualifications (RFQ) will be issued whenever there is a need for work to be performed by other than City of Lindsay staff that is in excess of \$5,000.

All Requests for Proposals and Request for Qualifications will be submitted to the Finance Director for review and approval prior to distribution.

### Section 5. CONTRACT PREPARATION AND ADMINISTRATION

The purpose of this procedure is to establish an effective and efficient way to prepare and administer contracts, formal professional engagements and/or agreements between the City of Lindsay and a non-employee party.

It will be the responsibility of the project manager assigned to the project, and the Finance Director to prepare a draft contract using the standard City of Lindsay contract, including date and signature lines. The draft contract/agreement or letter of engagement shall be reviewed and approved by the Finance Director. If the draft differs from previously approved contracts, the draft may be submitted to City Council for review and approval as to form.

A contract folder shall be created, for each contract. The folder should contain a criteria checklist.

Each contract shall be prepared utilizing the following basic elements:

- A clear and accurate identification of the parties;
- The date on which the agreement was entered into;
- A statement, or series of statements, explaining why consultants are being used rather than staff;
- A clear and complete statement as to the purpose of the agreement;
- A clear and complete statement of the work, service or product to be performed, rendered or provided (i.e., work activities and end products);
- A time schedule for performance and completion of the contract;
- A clear and complete statement as to the procedures that will govern progress reports; and explicit statement of the exact amount of payment and basis upon which payment is to be made;
- A project budget, if applicable, which itemizes expenditures and revenues of the agreement and includes a "not-to-exceed" clause that may only be overridden by Council approval;
- A contract termination date.

Contracts which were subject to the approval of the City Council must also have such approval for a modification or amendment or termination, unless expressly stated as terms of the agreement and with the following exception:

*An amendment to a contract or agreement which only extends the original time for completion of performance to a date within the same fiscal year, and does not increase the monetary amount is exempt.*

It shall be the responsibility of the project manager to monitor the progress of the work as performed by the consultant. The project manager shall be responsible for reporting to the Finance Director any discrepancies which occur between the performance of the task and the requirements of the approved contract.

It shall be the responsibility of the Finance Director to monitor the fiscal arrangements of the contract. The Finance Director shall ensure that all appropriate fiscal reports are completed and maintained in accordance with the terms of the contract and acceptable accounting procedures. In addition, the Finance Director shall maintain the official signed contract and any support material. Such files shall be kept until the project has been audited.

## Section 6. CONTRACT CHANGE ORDER POLICY

### 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.

The following Exhibits and Attachments 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*

#### ATTACHMENTS

- CREDIT CARD POLICY
- IT POLICY
- TRAVEL POLICY
- DAVIS BACON POLICY
- FEDERAL FINANCIAL MANANGEMENT POLICIES

# EXHIBITS



TRAVEL EXPENSE FORM

NAME: \_\_\_\_\_ DEPT./DIV.: \_\_\_\_\_

POSITION: \_\_\_\_\_

PURPOSE OF TRAVEL \_\_\_\_\_

LOCATION (city/state): \_\_\_\_\_ DATES: From \_\_\_\_\_ through \_\_\_\_\_

METHOD OF TRAVEL:  City vehicle  Personal vehicle  Air  Other (specify) \_\_\_\_\_

ACCOUNT NUMBER THIS TRAVEL EXPENSE CHARGED TO: \_\_\_\_\_

CASH ADJUSTMENT (REIMBURSEMENT), IF ANY, TO BE MADE TO:  Requestee below  Account number above

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Total City Credit Cd.	Total Cash
DATES									
REGIST. FEE Specify if Prepaid									
LODGING (room only) BELOW*									
BREAKFAST									
LUNCH									
DINNER									
SNACKS									
TAXI									
BUS OR SHUTTLE									
AIR FARE									
GASOLINE OR MILEAGE	_____ MILES (employees: only if prior approval for mileage received) Finance to calculate amount								
PARKING									
TOLLS									
TELEPHONE									
MISC. (Specify)									

SUMMARY:

1. TOTAL - All City Credit Card Expenditures \$ \_\_\_\_\_ cc

2. TOTAL - PREPAID by city, if any \$ \_\_\_\_\_

3. TOTAL - All Cash Expenditures \$ \_\_\_\_\_

4. AMOUNT Cash Advance by City, if any \$ \_\_\_\_\_

CASH ADJUSTMENT - SUB-TOTAL (4 minus 3) \$ \_\_\_\_\_

INELIGIBLE EXPENDITURES (attach explanation) \$ \_\_\_\_\_

TOTAL CASH ADJUSTMENT \$ \_\_\_\_\_

\*  Yes  No - TRANSIENT OCCUPANCY TAX EXEMPTION  
 CERTIFICATE USED? If no, attach explanation

I (requestee) certify the foregoing expenses were incurred  
 (ATTACH ALL RECEIPTS AND COPY OF OVERNIGHT TRAVEL REQUEST FORM)

Requestee	REVIEWED: _____ THEN TO →	APPROVED: (Finance Dept.) _____
Date _____	Department Head _____ Date _____	Finance Director _____ Date _____

**FOR GOVERNMENTAL AGENCIES  
TAX ON OCCUPANCY OF HOTEL ROOMS**

TO: \_\_\_\_\_  
(Name of Hotel, Apartment Hotel or Lodging House)

\_\_\_\_\_  
(Address/City) (Date)

This is to certify that I, the undersigned, am a representative or employee of the governmental agency indicated below; that the charges for the occupancy at the above establishment on the dates set forth below have been, or will be, paid for by such governmental agency; and that such charges are incurred in the performance of my official duties as a representative or employee of such governmental agency.

Dates of Occupancy: From \_\_\_\_\_ To \_\_\_\_\_

\_\_\_\_\_  
(Governmental Agency) (Department) (Signature of Representative)

**Operators of hotels, etc. should not accept this certificate unless the officer or employee presenting it show satisfactory credentials.**

A separate exemption certificate is required for each occupancy and for each representative.

This exemption certificate must be presented at time of registration.

PURCHASE ORDER

*City of Lindsay, California*

Order No 21679

Ship To:

Date	Dept.
Req'n No.	
Acct. No.	
Desired Delivery Date:	

To:

QUANTITY	UNIT	FILL ORDER ONLY EXACTLY AS SPECIFIED	PRICE	UNIT	DISCOUNTS	AMOUNT

Est. Total (Incl. Tax)

**IMPORTANT NOTICE**

Invoices must be made in duplicate and mailed promptly to:

**CREDIT CARD PURCHASE FORM**



DATE OF PURCHASE \_\_\_\_\_

CREDIT CARD # \_\_\_\_\_

**ACCOUNT NUMBER PURCHASE WILL BE CHARGED TO**

MUST INCLUDE DEPT. # AND ACCOUNT # TO BE CHARGED

VENDOR NAME:

\_\_\_\_\_

AMOUNT OF TOTAL PURCHASE \$ \_\_\_\_\_

DESCRIPTION OF PURCHASE  
\_\_\_\_\_

DEPARTMENT HEAD APPROVAL SIGNATURE \_\_\_\_\_

PLEASE STAPLE RECEIPT TO THIS PURCHASE FORM

**CREDIT CARD PURCHASE FORM**



DATE OF PURCHASE \_\_\_\_\_

CREDIT CARD # \_\_\_\_\_

**ACCOUNT NUMBER PURCHASE WILL BE CHARGED TO**

MUST INCLUDE DEPT. # AND ACCOUNT # TO BE CHARGED

VENDOR NAME:

\_\_\_\_\_

AMOUNT OF TOTAL PURCHASE \$ \_\_\_\_\_

DESCRIPTION OF PURCHASE  
\_\_\_\_\_

DEPARTMENT HEAD APPROVAL SIGNATURE \_\_\_\_\_

PLEASE STAPLE RECEIPT TO THIS PURCHASE FORM

# ATTACHMENTS

## CREDIT CARD POLICY

### **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:

1. **Individual Cards** – assigned to specific employees whose name appears on the card itself.
2. **Generic Cards** - in which an 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:

1. 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.
2. The City credit card is for the Cardholder's use only.
3. Cardholders must ensure that sufficient funds are available prior to making purchases.
4. 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.

5. 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:

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

**Safekeeping of City Credit Card:**

**Individual Cards** – The cardholder is responsible for the security of the City credit card.

**Generic Cards** – 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:

**A – Documentation Required for Purchases:**

Required documentation:

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

**B -- Documentation Required for Training And Travel Expenses:**

1. Hotel receipt must contain full detail of charges.
2. 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 than 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.
3. All meals purchased must detail who attended on each receipt. All receipts must be signed by the cardholder or user.
4. No alcoholic beverages to be charged on City credit card.
5. 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.

**C -- Payment Processing**

**Individual Cards:**

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:

1. 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.
2. **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.

## 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, equipments, facilities, software, and data that are designed, built, operated, and maintained to create, collect, record process, store, retriever, display and transmit information.

**Application of Policy Standards**

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

Specifically, the agency will apply polices, 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 confidentially, violating criminal law, or potentially endangering the city's valuable ITR assets and information.

**Violation**

Any event that results in theft, loss, unauthorized use, unauthorized disclosure, unauthorized modifaciton, unauthorized destruction, or degraded or denied services of ITR, conditions a breach of security and confidentially. Vilations 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 date or resources,
- \*involves the use of ITR for personal gains, unethical, harmful, or illicit purpose, or,
- \*results in public embarrassment to the city.

**Disciplinary Actions**

- \*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

1. All users with access to the City Financial Management System must have a unique pass code that identifies them as the user.
2. Pass codes are to be updated and changed by the system administrator on a semi-annual basis.
3. 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.
4. Users shall be granted only the access privileges necessary to perform their job duties.
5. ITR security controls must not be bypassed or disabled.
6. Security awareness of personnel must be continually emphasized, reinforced, updated, and validated by Department Heads and System Administrator(s).
7. 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.
8. Users with a higher degree of access and privilege codes shall be more closely monitored than lesser privileged employees.
9. 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.
10. All computer software programs, applications, source code, object code, documentation and data shall be guarded and protected as if it were city property.
11. 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.
12. 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.
13. 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.
14. The backup server is to be located in a secure location, inaccessible to the public and with limited employee access.
15. Adherence to all other policies, practice standard, procedures, and guidelines issued in support of these policy statements is mandatory.

# TRAVEL POLICY

## PLEASE READ CAREFULLY OR YOU MAY OWE THE CITY MONEY

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

**(FYI...All travel records are considered public information)**

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

- 
- ❖ **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 \$84/night, or \$110/night in Los Angeles and San Diego Counties, or \$140/night in Alameda, San Francisco, Santa Clara, and San Mateo Counties). Transient Occupancy Tax waiver is to be requested (see below).
  - ❖ **“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 (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 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 on 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** (attached) – 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 policy.**



## 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. Make contact with 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#0>.
- 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 on the basis of 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.
- 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.
  - Once 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.
  - 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 make a determination as to 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)

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.

#### **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 Becky Murphy, community development specialist II at [comdev@lindsay.ca.us](mailto:comdev@lindsay.ca.us)

1. Number of contractors/subcontractors against whom complaints were received:	
2. Number of investigations* completed by City:	
3. Number of contractors/subcontractors found in violation:	

4. Amount of wage restitution found due:	
a. Davis-Bacon and Related Acts:	
b. (Overtime Violations):	
5. Amount of back wages paid:	
a. Davis-Bacon and Related Acts:	
b. (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;

1. Authorized Signature on Statement of Compliance (pg. 2) for each payroll sheet.
2. 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.
3. 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/>
4. Appropriate block is checked regarding payment of fringe benefits on the SOC.
5. Payrolls are numbered. First payroll marked "Initial #1" and the last and final payroll for a project should be marked "FINAL."
6. Days and dates appear under item number 4 on payroll sheet.
7. Project Number, Name, and Location should be listed on each payroll sheet. Some projects are similar in name.
8. 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.
9. Fill in job classification in column 3.
10. Note in column 3; if employee is an apprentice, attach on the payroll proof of registration in a DOL-approved program.
11. 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)
12. Make sure net wages, gross wages, and deductions are shown. Gross amount in column 7 minus deductions should equal net in column 9.
13. 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**

David Boyd-Engineer Tech (Training); -Work with Becky Murphy to obtain the Wage Determination from State and Federal websites. If required from funding source, make contact with Representative to obtain Federal Wage Rates.

-Prepare a Pre-bid wage rate sheet.

Becky Murphy-Community Development Specialist II: Obtain Wage Determination and confirm determinations 10 days prior the bid opening. Request wage determinations from the funding source representative if required.

Neyba Amezcua-Associate Engineer:

-Prepare Bid Document

-Supervise Pre-Bid Process

-Do Post-Bid Process

-Do Post-Bid Process and provide training for support staff for this process

Mike Camarena-City Services Director:

-Supervise all Davis Bacon activity

Experience regarding Davis Bacon and Related Acts;

Attended David Bacon Conference in Sacramento presented by Davis-Bacon Compliance Unit.

## 24 CFR PART 85

### § 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.

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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:

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(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.

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(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;

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- (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

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- (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)

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- (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

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(4) 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.

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(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

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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 request for reimbursement for construction programs—**

(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.

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### (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

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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:

## 24 CFR PART 85

(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,

## 24 CFR PART 85

(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]**

## **CITY OF LINDSAY'S ACCOUNTING PROCEDURES FOR PROGRAM INCOME OF FEDERAL AWARDS**

1. Payments come into the city through mail and/or walk ins.
2. Accounts Receivable Clerk Yolanda Jensen, receipts them into the FTHB home loan receipt book. If Yolanda Jensen is not available, Home Loan Specialist Adriana Andrade is her back up. Both Clerks have been cross trained by Finance Director Tamara Laken.
3. Said payments are then entered into system – using separate codes established for SHE, and for the City of Lindsay.
4. Upon entry, Account Clerk does an override to proper program fund with credit to Program Income Fund #300999, ie; CDBG/HOME/CalHOME/CalFHA. If Account Clerk is not available, Home Loan Specialist Adriana Andrade is her back up.
5. Weekly, Self Help (SHE) payments are downloaded directly to Terry Williams (SHE) clerk by City employee Yolanda Jensen. Accounts Receivable Clerk, by excel. Terry Williams email is [terryw@selfhelpenterprises.org](mailto:terryw@selfhelpenterprises.org). If Yolanda Jensen is unavailable, Housing Loan Specialist Adriana Andrade is her back up.
6. Housing Loan Specialist Becky Murphy enters City payments to City of Lindsay's software/computer system. Housing Specialist Becky Murphy tracks loans through city system. If Becky Murphy is unavailable; Housing Loan Specialist Adriana Andrea, is her back up. Both Housing Loan Specialist have been cross trained by Finance Director, Tamara Laken.
7. Housing Loan Specialist Becky Murphy sends quarterly reports to HCD. Housing Loan Specialist Adriana Andrade is her back up. Both Housing Loan Specialist have been cross trained by Finance Director Tamara Laken.
8. Finance Director, Tamara Laken has trained all Finance Staff and Housing Loan Specialists. She has implemented financial management and internal controls for proper recording and accounting of program income funds. Below is an outline of procedures:
  - a. Receivable Clerk, Yolanda Jensen, enters payments – back up is Housing Loan Specialist Adriana Andrade.
  - b. Transaction Reconciliation, insuring proper entry on where payment is to go – Sandy Perez, Account Clerk III, then reviewed by Raquel Lule, Account Clerk I for verification. Raquel Lule is backup for Sandy Perez.
  - c. Office Supervisor, Michele Wilkinson downloads CDBG/SHE Codes from receipt book weekly and reconciles to City's portfolio. This process is then reviewed by Finance Director Tamara Laken. Tamara Laken is back up for Michele Wilkinson.
  - d. Self Help Enterprises (SHE) Terry Williams reconciles their portfolio.

## **City of Lindsay**

### **Financial Management of Grants Funds Policy**

When the City of Lindsay seeks to obtain local, state, or federal grants the following procedures are to be followed:

The City Manager, or City Council, must approve the application and acceptance of grants received by the City of Lindsay. Depending upon the individual grant program, either a Resolution or City Manager's approval shall be obtained before submitting a grant application.

The City of Lindsay Grant Administrator, or other designated staff member, shall prepare and submit the grant application. The roles, responsibilities, and procedures for NEPA environmental review shall comply with Table 1, CDBG NEPA Review Responsibilities.

Within that application shall be an environmental review document, either CEQA or NEPA as appropriate, generally prepared by city planning staff. In the event city planning staff is unavailable, or unable, to perform the environmental review AND a contract grant manager, such as Self Help Enterprises has not been retained, the City Manager, or his designee, shall appoint an administrative staff member to issue a request for qualifications (RFQ) to be circulated among local firms conducting environmental reviews. From those RFQ responses a qualified firm shall be identified and retained to complete the environmental review. The Grant Administrator, or other designated staff member familiar with public notice requirements, shall ensure that all public participation programs, public announcements, public hearings, and any and all requirements relevant to noticing of the public are completed and documented. Original environmental review documents shall be retained by city staff and placed in the grant project file along with the public notices.

**Table 1: CDBG NEPA Review Responsibilities**

Persons Responsible For NEPA Reviews					
	Housing Grants		Non-Housing Grants		
	Housing Rehab	FTHB	Public Improvements	Economic Development <sup>1</sup>	New Construction
<b>Grants Administrator</b>					
Assigned	Self-Help Enterprises		Tamara Laken, Finance Director		
Back-Up	Consultant <sup>2</sup>		Housing Spec. - Adriana Andrade – Becky Murphy		
<b>Environmental Review</b>					
• Certifying Officer	Rich Wilkinson, City Manager				
Back-Up	Maria Knutson, Assistant City Manager				
• Environmental Officer	Self-Help Enterprises		Bill Zigler, City Planner		
Back-Up	Consultant <sup>2</sup>		Brian Spaunhurst, Planning Assistant		
Qualifications / Training (verified by Certifying Officer)	<ul style="list-style-type: none"> <li>• Experience / expertise in CDBG NEPA procedures, and documentation</li> <li>• Subject matter expertise in the program being funded</li> <li>• Continuing education in CDBG NEPA requirements, procedures, and documentation obtained through HCD workshops / training sessions</li> </ul>				
<b>NEPA Review Procedural Responsibilities</b>					
Review Responsibilities <sup>3</sup>	<ol style="list-style-type: none"> <li>1. Ensuring compliance with NEPA, federal laws, and authorities</li> <li>2. Issuing the public notification</li> <li>3. Submitting the request for release of funds, when required</li> <li>4. Ensuring Environmental Review Record (ERR) is complete, including: <ul style="list-style-type: none"> <li>o Project description including all activities and phases</li> <li>o Written determinations and review findings (e.g., exempt and categorically excluded determinations, FONSI, etc.)</li> <li>o Public notices (including English and Spanish translations and affidavits of publication)</li> <li>o Documentation of compliance with NEPA, federal laws, authorities, etc. (per compliance checklists, environmental assessment, or environmental impact statement)</li> <li>o Public comments received</li> <li>o Appropriate resolution of public concerns</li> <li>o Other required documents per GMM<sup>4</sup> Chapter 8, as amended</li> <li>o CEQA compliance documentation consistent with State Law, if applicable</li> </ul> </li> </ol>				
ERR Location	Lindsay City Hall, and Self-Help Enterprises (for housing grants only)				
ERR Archiving	Paper copies of ERR are stored in project folders in a locked fireproof file cabinet. ERR documents are digitally backed up on computer by the Environmental Officer.				

<sup>1</sup> Micro-enterprise loans/grants; business assistance loans; economic development projects

<sup>2</sup> Qualified consultant or consulting firm that specializes in environmental reviews, with documented experience, qualifications, and delivery capacity consistent with task responsibilities. The City of Lindsay Grants Administrator would be responsible for consultant procurement in compliance with GMM<sup>4</sup> Chapter 8 (Procurement).

<sup>2</sup> Upon Resolution by Lindsay City Council granting authority to execute environmental review documents.

<sup>3</sup> NEPA responsibilities shall be consistent with the requirements of GMM<sup>4</sup> Chapter 3 (Environmental Review Requirements). The items listed in the above table summarize, but do not supersede, these responsibilities and requirements.

<sup>4</sup> GMM: CDBG Grants Management Manual, as amended.

Upon application approval, a project manager shall be designated by the City Manager or other Management staff. Together, the Grants Administrator and Project Manager shall serve as the primary managers of the grant subject to review and approval of all reimbursement requests by the Director of Finance.

Copies of approved grant documents (including proposal, budget, and award letter) will be kept by both the Grant Administrator and the Director of Finance. Copies of the grant contract shall be kept by the City Clerk.

Upon receipt of award notification, the Grant Administrator, or other designated staff member, will submit any required documentation to the granting agency. The Finance Department shall assign a unique project number to each individual grant, which will be used in tracking all revenues and expenditures associated with the grant. The Grant Administrator shall track, along with the Finance Department, expenditures made compared to the grant budget. Any deviation from the grant budget should be discussed with the Project Manager and the granting agency. Any changes to the project must be thoroughly supported as to need, adhere to the established City of Lindsay Change Order policy for approval, and be properly approved.

During the grant period, staff involved with the fulfillment of the grant will make purchases in accordance with the granting agency and the City of Lindsay's procurement and purchasing policies. All staff and/or governing body members with purchasing or decision-making powers shall adhere to the City's approved Conflict of Interest policy. Pursuant to 24 CFR 570.611, no member, officer, or employee of the Grantee, or its designees or agents, no member of the governing body of the locality in which the program is situated, and no other public office of such locality or localities who exercise or have exercised any functions or responsibilities with respect to grant-funded activities assisted under this part, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a grant-assisted activity, or have a financial interest in any contract, subcontract or agreement with respect to a grant-assisted activity or its proceeds, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one (1) year thereafter. This section is applicable to all federal and state grant awards administered by the City of Lindsay including, but not limited to: CDBG, HCD, CALTRANS, TCAG and any and all granting agencies for which the City of Lindsay is either the recipient or sub-recipient.

The Grant Administrator will be responsible for completing all reports, reimbursement requests, and advance payment requests which will then be reviewed and approved by the Director of Finance prior to submission to the granting agency. A reimbursement log shall be kept by the Grant Administrator, or Project Manager, that provides the date of the request, amount of the request, draw #, and the date of the receipt which shall be provided by the Finance Department who shall date and initial the log when a draw request is received from the granting agency; an original copy of the departmental receipt shall be affixed to the Project request. In the case of drawdown of HOME Funds, the attached *Procedure for Drawing Down HOME Funds* shall be followed.

The Grant Administrator will monitor for compliance with grant guidelines. The Grant Administrator will ensure that properly obligated funds are expended in a timely fashion and that all funds are expended with the eligible grant period. Any funds not expended shall be properly de-obligated.

Documents, including the grant contract, reimbursement requests, supporting documents, and other required documents (such as RFPs, bids, contractor award letters and contracts, etc.) will be kept in the grant file. All documents will be maintained for audit, per the grant requirements and State Law.

These policies will be reviewed and revised as necessary.

**Amendment #1:** This policy was amended to include language required by HOME and did hereby incorporate the attached *Change Order Policy for HOME Projects* and *Procedure for Drawing Down HOME Funds* as part of the Grants Fund Policy. (8/28/2012)

**Amendment #2:** This policy was amended to include language relevant to Conflict of Interest and the policy and procedure for the completion of any CEQA or NEPA as may be required by the granting agency. Those changes are highlighted. (12/11/2012)

CEQA – California Environmental Quality Act

NEPA - National Environmental Policy Act

Changes in the Plans and Specifications/Contract Change Orders.

For HOME funded projects and as required by HOME general or special conditions, the following Contract Change Orders (CCO's) policy shall be required:

There shall be no material change in the approved Plans and Specifications or the approved Scope and Distribution of Work without the prior written consent of the City of Lindsay (City).

CCO's shall be submitted for approval and signature on a form acceptable to the City, signed by the Borrower and the general contractor ("Contractor"). CCO's shall be accompanied by working drawings, an itemized cost statement, a written narrative of the proposed change and the reasons therefore, and such supporting documentation as the City may reasonably require. CCO's submittals shall provide nexus to the original scope of work. Should the City fail to either approve or disapprove a CCO within 10 days of receipt, such CCO shall be deemed approved by the City. Signature of CCO by the City shall remain a requirement.

The City Council, through the City Manager, shall authorize the City Services Director to execute CCO's of 10% or less of the project contingency of the project budget.

For CCO (individual or aggregate) increases that exceed the 10% aggregate contingency and are below 25% increase of the project budget 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 project budget, 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.

Additionally, if the City determines that a proposed CCO will result in a cost increase above and beyond the hard cost contingency, and upon written demand from the City, Borrower shall provide evidence satisfactory to the City that adequate funds are available to pay such increased costs. Upon written demand by the City, Borrower shall deposit into a construction escrow account such funds as the City reasonably determines to be necessary to ensure payment of the increased costs.

Within thirty (30) days after the filing of a notice of completion for the Development or project, Borrower shall provide to the City without cost a copy of the final as-built Plans and Specifications, including actual changes to the work, for the completed Development or project.

CITY OF LINDSAY  
HOME Investment Partnership Program  
Procedures for Drawing Down HOME Compliance with “15-Day Clock” Requirement

**1. Purpose**

The purpose of the this guideline is to establish procedures for the drawdown of HOME funds in compliance with HOME regulations including the State Department of Housing and Community Development (HCD) HOME Contract Management Manual and United States Department of Housing and Urban Development (HUD) “15-day clock” requirement.

**2. Procedures for Drawing Down HOME Funds**

HOME funds shall only be requested for previously set-up projects. The City may submit a draw request to HCD simultaneously with a project set-up request and a project completion report, if applicable. Draw requests shall be submitted on the Administrative Drawdown Request and Project Drawdown Request forms provided by HCD.

For draw requests related to Administrative Costs, the City shall submit to HCD a completed Administrative Drawdown Request form to request administrative funds and to report on any other funds being expended for administrative costs. The City shall make certain that Activity Delivery Costs/Project Related Soft Cots are not charged to Administrative Costs.

For draw requests related to Project Activity Costs and Activity Delivery Costs, the City shall submit to HCD a completed Project Drawdown Request form. Project Activity Costs include new construction, rehabilitation, on-site improvements, and acquisition costs; however, the City shall ensure that Project Activity Costs are consistent with the Construction Sources and Uses approved by HCD. Activity Delivery Costs shall be requested proportionately to project costs. For Example, if 30% of the projects costs that were set up are being released, then no more than 30% of the Activity Delivery Costs for those projects may be requested.

**3. Compliance with “15-Day Cock” Requirement**

It is the responsibility of the City to ensure that HOME funds are expended and paid out of the City’s HOME account within 15 days from the date that the funds were wired from the Federal Treasury. The wire date appears on the remittance advice that is attached to the State warrant; it is not the date of the check. Any funds that are not expended on eligible costs and are not disbursed from the City’s HOME account within 15 days of the Federal wire date must be returned to HCD, for return to HUD. Funds not expended within the 15-day clock period, other unused HOME Program funds, and any interest earned on any unused HOME Program funds shall be returned to HCD for return to HUD. In accordance with this requirement, the City is prohibited from placing HOME funds in an escrow account as it does not constitute the expenditure of funds.

Amendment #1 presented and approved 8-28-2012

Amendment #2 presented and approved 12-11-2012

x

Approval of Amendment #2: Rich Wilkinson, City Manager \_\_\_\_\_ Date \_\_\_\_\_

Ramona Padilla, Mayor \_\_\_\_\_ Date \_\_\_\_\_

## City of Lindsay Financial Management of Grants Funds Policy

When the City of Lindsay seeks to obtain local, state, or federal grants the following procedures are to be followed:

The City Manager, or City Council, must approve the application and acceptance of grants received by the City of Lindsay. Depending upon the individual grant program, either a Resolution or City Manager's approval shall be obtained before submitting a grant application.

The City of Lindsay Grant Administrator, or other designated staff member, shall prepare and submit the grant application. If the application is approved, a project manager shall be designated by the City Manager or other Management staff. Together, the Grants Administrator and Project Manager shall serve as the primary managers of the grant subject to review and approval of all reimbursement requests by the Director of Finance.

Copies of approved grant documents (including proposal, budget, and award letter) will be kept by both the Grant Administrator and the Director of Finance. Copies of the grant contract shall be kept by the City Clerk.

Upon receipt of award notification, the Grant Administrator, or other designated staff member, will submit any required documentation to the granting agency. The Finance Department shall assign a unique project number to each individual grant, which will be used in tracking all revenues and expenditures associated with the grant. The Grant Administrator shall track, along with the Finance Department, expenditures made compared to the grant budget. Any deviation from the grant budget should be discussed with the Project Manager and the granting agency. Any changes to the project must be thoroughly supported as to need, adhere to the established City of Lindsay Change Order policy for approval and be properly approved.

During the grant period, staff involved with the fulfillment of the grant will make purchases in accordance with the granting agency and the City of Lindsay's procurement and purchasing policies.

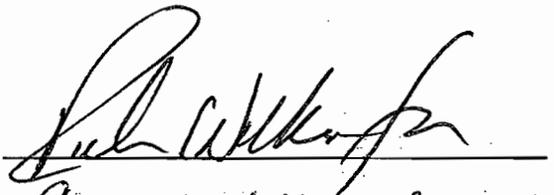
The Grant Administrator will be responsible for completing all reports, reimbursement requests, and advance payment requests which will then be reviewed and approved by the Director of Finance prior to submission to the granting agency. A reimbursement log shall be kept by the Grant Administrator, or Project Manager, that provides the date of the request, amount of the request, draw #, and the date of the receipt which shall be provided by the Finance Department who shall date and initial the log when a draw request is received from the granting agency; an original copy of the departmental receipt shall be affixed to the Project request.

The Grant Administrator will monitor for compliance with grant guidelines. The Grant Administrator will ensure that properly obligated funds are expended in a timely fashion and that all funds are expended with the eligible grant period. Any funds not expended shall be properly de-obligated.

Documents, including the grant contract, reimbursement requests, supporting documents, and other required documents (such as RFPs, bids, contractor award letters and contracts, etc.) will be kept in the grant file. All documents will be maintained for audit, per the grant requirements and State Law.

These policies will be reviewed and revised as necessary.

7/19/2012: Approved by City Manager Rich Wilkinson



7/24/2012: Approved via Council consent calendar



**CITY OF LINDSAY  
ADMINISTRATIVE POLICY**

**SUBJECT:** FINANCIAL LOAN REVIEW COMMITTEE

**MEMBERS:** CITY MANAGER, FINANCE DIRECTOR, CITY PLANNER, COMMUNITY DEVELOPMENT DIRECTOR

**BACKGROUND:** This policy will facilitate the formation of a policy for the Lindsay Loan Committee which will provide program accountability to the Community Development Housing and Loan Programs. Over the past 20 plus years funding sources have become available to the City of Lindsay for Owner Investor and Owner Occupied Rehabilitation, Construction Assistance, Home Acquisition (FTHB) and Business Assistance. These funding sources include, but not limited to, The Lindsay Redevelopment Agency, Federal funds provided through the State of California Housing and Community Development Department to the City under the CDBG, HOME, CalHome, Help-Begin, and NSP Programs, and other state funded programs.

This Policy is to update and expand the role of the originally designated Lindsay Loan Committee who are no longer affiliated with the City of Lindsay.

**AUTHORITY OF THE  
LOAN COMMITTEE:**

Committee shall reflect on all local, State, and Federally funded programs that have been made available to the City of Lindsay and administered through the Community Development Department. To minimize the potential for abuse and provide for a high level of program accountability, this committee will review all data submitted by the staff to confirm an applicant's eligibility for funding participation and specify the terms and conditions of the loan or grant.

This committee shall be comprised of four (4) members: namely, the City Manager, Finance Director, City Planner, and Community Development Director.

**MEETINGS:**

Weekly as needed in the City Manager's Office directly after Wednesday's staff meeting.

**PURPOSE/POWERS:**

Review, approve or deny the recommendations of the Community Development, Planning, Economic Development, and Redevelopment staff relative to any loan or grant to a prospective applicant.

All loans and/or financial assistance submittals shall be approved in accordance with the appropriate adopted program guidelines. Please see **Attachment A** relating to **Income Determination Policy & Procedures**.

Periodically review the program guidelines for each assistance program, and, if necessary, recommend revisions to the guidelines to the City Manager for approval in order to bring the program into compliance with state or federal regulations and/or to reflect changes in market conditions or other related factors.

**Attachment "A"**  
**Income Determination Policy & Procedures**

1. Self Help Enterprises (SHE) who contracts with the City of Lindsay does income qualification on client.
2. SHE's Loan Processor signs and dates the Income Determination Worksheet.
3. SHE's Loan Manager then reviews the Loan Processors documents.
4. Prior to approving the participants financing, The SHE Loan Processor gives the applicants file to the City of Lindsay for review.
5. The File is first given to Adriana Andrea, Housing Loan Specialist to review the applicants file (if Ms. Andrea is not available, Becky Murphy, Housing Loan Specialist is her back up). Both City Staff Members attend CDBG workshops and training specific to these procedures.
6. The Housing Loan Specialist Adriana Andrea then hands the file over to Tamara Laken, Finance Director for her review.
7. After Ms. Laken's review, the file is then taken to the Wednesday morning Loan Committee meeting attended also by the SHE Loan Processor for approval or denial.
8. Minutes are taken by Mari Carrillo, Police Chief Administrative Secretary.
9. All income determinations will be in compliance with the *Income Calculation Guide and Determination Guide for Federal Programs* which is located at the following website:  
<http://www.hcd.ca.gov/fa/cdbg/GuideFedPrograms.html>

## CITY OF LINDSAY'S CITIZEN PARTICIPATION POLICY AND PROCEDURES

- Actions that Require Public hearings, before the governing body and when a new resolution is required.
- If Public Hearing falls under Self Help Enterprises' contract, they are responsible for the draft write up of publication for the local paper. If Public Hearing does not fall under SHE, the City of Lindsay's, Administrative Supervisor Maria Knutson is required to write up required publication. If she is unavailable, Tamara Laken, Finance Director is her back up.
- Self Help Enterprises then hands over their publication write up to Administrative Supervisor Maria Knutson who then reviews it with Housing Loan Specialist Adriana Andrade and Finance Director Tamara Laken.
- Once city approves the draft publication, Administrative Supervisor Maria Knutson then submits it to local newspaper (Lindsay Sun Gazette, or Porterville Recorder, Visalia Times Delta) for publication in the proper time frame. If Ms. Knutson is unavailable, Tamara Laken, Finance Director is her back up.
- After Public Hearing is published, Maria Knutson, Administrative Supervisor, follows up with the Newspaper for *Affidavit of Proof of Publication*.
- Copies are then made and directed to proper party (SHE, City Staff).
- Ms. Knutson, then gives original *Proof of Publication* to Housing Loan Specialist, Adriana Andrade, who places them into the Public Information Binder, which is housed in the Community Development Office. If Ms. Andrade is not available, Ms. Knutson is her back up.

# **MONITORING PLAN**

## **INTRODUCTION**

24 CFR Part 85.40 (a) (Exhibit A) provides for the general program monitoring responsibilities of the City in the administration of the HUD-funded programs.

- a. Monitoring by grantees. Grantees are responsible for managing the day-to-day operation of grant and sub-grant supported activities. Grantees must monitor grant and sub grant 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.

In an effort to attain compliance with the above regulation as well as 24 CFR 570.502 (Exhibit B), the City has established these Monitoring Policies.

The City has identified two separate yet related components of effective program monitoring: internal (city) and external (sub-recipients). Internal monitoring encompasses the actions, procedures, and performance of City staff – primarily the City staff assigned to administer grants. External or sub-recipient monitoring is directed at those organizations or entities receiving grant funding for their services. These include cooperating cities and their sub-recipients, non-profits, and county agencies.

## **INTERNAL MONITORING**

The City acknowledges the importance and necessity of monitoring the day-to-day activities associated with the administration of the grant programs. This will best be accomplished through training, policies and procedures, and internal auditing.

## **SUBRECIPIENT MONITORING**

As stated previously, 24 CFR Part 85.40 (a) (exhibit A) requires the city, as grantee to monitor grant and sub-grant supported activities to assure compliance with applicable regulations governing the sub recipients' administrative, financial, and programmatic activities, to ensure that the sub recipients achieve their performance objectives.

The City's sub recipient monitoring objective are as follows:

1. To assist the subrecipient in complying with applicable laws and regulations.
2. To assist subrecipients in resolving compliance problems through discussion, negotiation, and the provision of technical assistance and training.

3. To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by subrecipients, and not repeated.
4. To comply with the Federal monitoring requirements of 12 CFR 570.501 (b) (Exhibit D) and with 24 CFR 84.51 (Exhibit E) and 85.40 (Exhibit A), as applicable.
5. To determine if any conflict of interest exists in the operation of the programs, per 24 CFR 570.611 (Exhibit F).
6. To ensure that required records are maintained to demonstrate compliance with applicable regulations.

Sub-grant activities under the grant programs are carried out through the following types of subrecipients:

- Non profits
- County Agencies/Departments
- Cooperating City

The responsibility for monitoring subrecipients activities shall be assigned by the manager of the Community Development and Redevelopment Division.

Effective monitoring is an ongoing process – a process that involves planning, implementation, and follow-up. The monitoring process of the grant programs consists of three levels of activities:

1. Desk Monitoring (Level I) this type of monitoring takes place during the day-to-day administrative activities of the grant program. This includes phone calls, emails, written correspondence, application/project selection, agreements, environmental reviews, notice to proceed, processing payments and reimbursement requests (draw downs), progress reports, direct-benefit (National Objective) reports, and other project activities.
2. On-site Monitoring (Level II) this is a periodic, comprehensive on-site monitoring activity, It is a more thorough assessment of the subrecipient's funded activities. At least one (1) on-site Level II monitoring visit will be required yearly for every subrecipient. All Level II monitoring visit will use the appropriate monitoring checklist, depending on the funding source.

All Level II monitoring visits will follow the "Five Step" process that includes:

- Notification Letter
- Entrance Conference
- Documentation, Data Acquisition and Analysis

- Exit Conference
  - Follow-up Monitoring Letter
3. Performance/Compliance Monitoring (Level III) – this stage of the subrecipient monitoring process addresses follow-up actions to Level II monitoring findings and concerns. These can include past and current performance and compliant issues, corrective actions, high risk activities, and other matters requiring special monitoring attention. During the exit conference at the end of the monitoring, the subrecipient will be told what the monitoring findings or concerns are, and a follow-up letter will be sent to the subrecipient. The subrecipient will need to respond within 30 days with a plan for addressing any concerns or findings.

## **MONITORING REPORTING**

In order to assist and improve subrecipient monitoring activities and sufficient documentation of County monitoring actions, the following monitoring report and resources will be utilized:

- CDBG/HOME/CalHome Program Monitoring Check lists
- Project File Checklist
- Quarterly Progress Reports
- Subrecipient Monitoring Risk Assessment
- Subrecipient Monitoring Activity Report
- Internal Program Audit/Monitoring Reports

All Subrecipient monitoring checklist, documents, reports, and records will be maintained for a period of five (5) years. All documentation will be placed in Monitoring folder of the individual project files. Copies of all monitoring documentation will be placed in the individual City General File as well as the specific project file.

## Exhibit A

[Code of Federal Regulations]  
[Title 24, Volume 1]  
[Revised as of April 1, 2010]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 24CFR85.40]

[Page 510-511]

### TITLE 24--HOUSING AND URBAN DEVELOPMENT

#### PART 85 ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND COOPERATIVE AGREEMENTS TO STATE, LOCAL AND FEDERALLY RECOGNIZED INDIAN TRIBAL

##### Subpart C Post-Award Requirements

##### Sec. 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) Nonconstruction 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

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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.

## Exhibit B

[Code of Federal Regulations]  
[Title 24, Volume 3]  
[Revised as of April 1, 2010]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 24CFR570.502]

[Page 135-136]

### TITLE 24--HOUSING AND URBAN DEVELOPMENT

#### CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### PART 570 COMMUNITY DEVELOPMENT BLOCK GRANTS--Table of Contents

##### Subpart J Grant Administration

##### Sec. 570.502 Applicability of uniform administrative requirements.

(a) Recipients and subrecipients that are governmental entities (including public agencies) shall comply with the requirements and standards of OMB Circular No. A-87, "Cost Principles for State, Local, and Indian Tribal Governments"; OMB Circular A-128, "Audits of State and Local Governments" (implemented at 24 CFR part 44); and with the following sections of 24 CFR part 85 "Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments" or the related CDBG provision, as specified in this paragraph:

- (1) Section 85.3, "Definitions";
- (2) Section 85.6, "Exceptions";
- (3) Section 85.12, "Special grant or subgrant conditions for 'high-risk' grantees";
- (4) Section 85.20, "Standards for financial management systems," except paragraph (a);
- (5) Section 85.21, "Payment," except as modified by Sec. 570.513;
- (6) Section 85.22, "Allowable costs";
- (7) Section 85.26, "Non-federal audits";
- (8) Section 85.32, "Equipment," except in all cases in which the equipment is sold, the proceeds shall be program income;
- (9) Section 85.33, "Supplies";
- (10) Section 85.34, "Copyrights";
- (11) Section 85.35, "Subawards to debarred and suspended parties";
- (12) Section 85.36, "Procurement," except paragraph (a);
- (13) Section 85.37, "Subgrants";
- (14) Section 85.40, "Monitoring and reporting program performance," except paragraphs (b) through (d) and paragraph (f);
- (15) Section 85.41, "Financial reporting," except paragraphs (a), (b), and (e);
- (16) Section 85.42, "Retention and access requirements for records," except that the period shall be four years;
- (17) Section 85.43, "Enforcement";
- (18) Section 85.44, "Termination for convenience";

(19) Section 85.51 ``Later disallowances and adjustments'' and  
(20) Section 85.52, ``Collection of amounts due.''

(b) Subrecipients, except subrecipients that are governmental entities, shall comply with the requirements and standards of OMB Circular No. A-122, ``Cost Principles for Non-profit Organizations,''  
or  
OMB Circular No. A-21, ``Cost Principles for Educational Institutions,''  
as applicable, and OMB Circular A-133, ``Audits of Institutions

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of Higher Education and Other Nonprofit Institutions'' (as set forth in 24 CFR part 45). Audits shall be conducted annually. Such subrecipients shall also comply with the following provisions of the Uniform Administrative requirements of OMB Circular A-110 (implemented at 24 CFR part 84, ``Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals and Other Non-Profit Organizations'') or the related CDBG provision, as specified in this paragraph:

- (1) Subpart A--``General'';
- (2) Subpart B--``Pre-Award Requirements,''' except for Sec. 84.12, ``Forms for Applying for Federal Assistance'';
- (3) Subpart C--``Post-Award Requirements,''' except for:
  - (i) Section 84.22, ``Payment Requirements.''' Grantees shall follow the standards of Sec. Sec. 85.20(b)(7) and 85.21 in making payments to subrecipients;
  - (ii) Section 84.23, ``Cost Sharing and Matching'';
  - (iii) Section 84.24, ``Program Income.''' In lieu of Sec. 84.24, CDBG subrecipients shall follow Sec. 570.504;
  - (iv) Section 84.25, ``Revision of Budget and Program Plans'';
  - (v) Section 84.32, ``Real Property.''' In lieu of Sec. 84.32, CDBG subrecipients shall follow Sec. 570.505;
  - (vi) Section 84.34(g), ``Equipment.''' In lieu of the disposition provisions of Sec. 84.34(g), the following applies:
    - (A) In all cases in which equipment is sold, the proceeds shall be program income (prorated to reflect the extent to which CDBG funds were used to acquire the equipment); and
    - (B) Equipment not needed by the subrecipient for CDBG activities shall be transferred to the recipient for the CDBG program or shall be retained after compensating the recipient;
  - (vii) Section 84.51 (b), (c), (d), (e), (f), (g), and (h), ``Monitoring and Reporting Program Performance'';
  - (viii) Section 84.52, ``Financial Reporting'';
  - (ix) Section 84.53(b), ``Retention and access requirements for records.''' Section 84.53(b) applies with the following exceptions:
    - (A) The retention period referenced in Sec. 84.53(b) pertaining to individual CDBG activities shall be four years; and
    - (B) The retention period starts from the date of submission of the annual performance and evaluation report, as prescribed in 24 CFR 91.520, in which the specific activity is reported on for the final time rather than from the date of submission of the final expenditure report for the award;
  - (x) Section 84.61, ``Termination.''' In lieu of the provisions of

Sec. 84.61, CDBG subrecipients shall comply with Sec. 570.503(b)(7);  
and

(4) Subpart D--"After-the-Award Requirements," except for Sec.  
84.71, "Closeout Procedures."

[53 FR 8058, Mar. 11, 1988, as amended at 60 FR 1916, Jan. 5, 1995; 60  
FR 56915, Nov. 9, 1995]

## Exhibit D

[Code of Federal Regulations]  
[Title 24, Volume 3]  
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[Page 135]

### TITLE 24--HOUSING AND URBAN DEVELOPMENT

#### CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### PART 570\_COMMUNITY DEVELOPMENT BLOCK GRANTS--Table of Contents

##### Subpart J\_Grant Administration

##### Sec. 570.501 Responsibility for grant administration.

(a) One or more public agencies, including existing local public agencies, may be designated by the chief executive officer of the recipient to undertake activities assisted by this part. A public agency

so designated shall be subject to the same requirements as are applicable to subrecipients.

(b) The recipient is responsible for ensuring that CDBG funds are used in accordance with all program requirements. The use of designated public agencies, subrecipients, or contractors does not relieve the recipient of this responsibility. The recipient is also responsible for determining the adequacy of performance under subrecipient agreements and procurement contracts, and for taking appropriate action when performance problems arise, such as the actions described in Sec. 570.910. Where a unit of general local government is participating with, or as part of, an urban county, or as part of a metropolitan city, the recipient is responsible for applying to the unit of general local government the same requirements as are applicable to subrecipients, except that the five-year period identified under Sec. 570.503(b)(8)(i) shall begin with the date that the unit of general local government is no longer considered by HUD to be a part of the metropolitan city or urban county, as applicable, instead of the date that the subrecipient agreement expires.

[53 FR 8058, Mar. 11, 1988, as amended at 57 FR 27120, June 17, 1992]

## Exhibit E

[Code of Federal Regulations]  
[Title 24, Volume 1]  
[Revised as of April 1, 2010]  
From the U.S. Government Printing Office via GPO Access  
[CITE: 24CFR84.51]

[Page 473]

### TITLE 24--HOUSING AND URBAN DEVELOPMENT

#### PART 84 UNIFORM ADMINISTRATIVE REQUIREMENTS FOR GRANTS AND AGREEMENTS WITH INSTITUTIONS OF HIGHER EDUCATION, HOSPITALS, AND OTHER NON-PROFIT

##### Subpart C\_Post-Award Requirements

#### Sec. 84.51 Monitoring and reporting program performance.

(a) Recipients are responsible for managing and monitoring each project, program, subaward, function or activity supported by the award.

Recipients shall monitor subawards to ensure subrecipients have met the audit requirements as delineated in Sec. 84.26.

(b) HUD shall prescribe the frequency with which the performance reports shall be submitted. Except as provided in Sec. 84.51(f), performance reports shall not be required more frequently than quarterly

or less frequently than annually. Annual reports shall be due 90 calendar days after the grant year; quarterly or semi-annual reports shall be due 30 days after the reporting period. HUD may require annual reports before the anniversary dates of multiple year awards in lieu of these requirements. The final performance reports are due 90 calendar days after the expiration or termination of the award.

(c) If inappropriate, a final technical or performance report shall not be required after completion of the project.

(d) When required, performance reports shall generally contain, for each award, brief information on each of the following:

(1) A comparison of actual accomplishments with the goals and objectives established for the period, the findings of the investigator,

or both. Whenever appropriate and the output of programs or projects can

be readily quantified, such quantitative data should be related to cost data for computation of unit costs.

(2) Reasons why established goals were not met, if appropriate.

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(e) Recipients shall not be required to submit more than the original and two copies of performance reports.

(f) Recipients shall immediately notify HUD of developments that have a significant impact on the award-supported activities. Also, notification shall be given in the case of problems, delays, or adverse conditions which materially impair the ability to meet the objectives of

the award. This notification shall include a statement of the action

taken or contemplated, and any assistance needed to resolve the situation.

(g) HUD may make site visits, as needed.

(h) HUD shall comply with clearance requirements of 5 CFR part 1320 when requesting performance data from recipients.

## Exhibit F

[Code of Federal Regulations]  
[Title 24, Volume 3]  
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[Page 153-154]

### TITLE 24--HOUSING AND URBAN DEVELOPMENT

#### CHAPTER V--OFFICE OF ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

#### PART 570\_COMMUNITY DEVELOPMENT BLOCK GRANTS--Table of Contents

##### Subpart K\_Other Program Requirements

##### Sec. 570.611 Conflict of interest.

(a) Applicability. (1) In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, shall apply.

(2) In all cases not governed by 24 CFR 85.36 and 84.42, the provisions of this section shall apply. Such cases include the acquisition and disposition of real property and the provision of assistance by the recipient or by its subrecipients to individuals, businesses, and other private entities under eligible activities that authorize such assistance (e.g., rehabilitation, preservation, and other improvements of private properties or facilities pursuant to Sec. 570.202; or grants, loans, and other assistance to businesses, individuals, and other private entities pursuant to Sec. 570.203, 570.204, 570.455, or 570.703(i)).

(b) Conflicts prohibited. The general rule is that no persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to CDBG activities assisted under this part, or who are in a position to participate in a decisionmaking process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a CDBG-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to a CDBG-assisted activity, or with respect to the proceeds of the CDBG-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. For the UDAG program, the above restrictions shall apply to all activities that are a part of the UDAG project, and shall cover any such financial interest or benefit during, or at any time after, such person's tenure.

(c) Persons covered. The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of

the recipient, or of any designated public agencies, or of subrecipients that are receiving funds under this part.

(d) Exceptions. Upon the written request of the recipient, HUD may grant an exception to the provisions of paragraph (b) of this section on

a case-by-case basis when it has satisfactorily met the threshold requirements of (d)(1) of this section, taking into account the cumulative effects of paragraph (d)(2) of this section.

(1) Threshold requirements. HUD will consider an exception only after the recipient has provided the following documentation:

(i) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(ii) An opinion of the recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(2) Factors to be considered for exceptions. In determining whether to grant a requested exception after the recipient has satisfactorily met the requirements of paragraph (d)(1) of this section, HUD shall conclude that such an

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exception will serve to further the purposes of the Act and the effective and efficient administration of the recipient's program or project, taking into account the cumulative effect of the following factors, as applicable:

(i) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project that would

otherwise not be available;

(ii) Whether an opportunity was provided for open competitive bidding or negotiation;

(iii) Whether the person affected is a member of a group or class of

low- or moderate-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(iv) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decisionmaking process with respect to the specific assisted activity in question;

(v) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (b) of this section;

(vi) Whether undue hardship will result either to the recipient or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(vii) Any other relevant considerations.

[60 FR 56916, Nov. 9, 1995]



**MEETING NATIONAL OBJECTIVE**

1. Do all activities benefit LMMI individuals and families as specified in the grant application and the Standard Agreement?

Yes \_\_\_\_ No \_\_\_\_

If no, explain:

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2. Do the subrecipient's files include documentation of program participants'/beneficiaries' income?

Yes \_\_\_\_ No \_\_\_\_

If not, why:

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3. Did the subrecipient use an appropriate and consistent method of verifying beneficiaries' income? Briefly describe method, and if no, explain problems:

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4. Is the target area where actual beneficiaries were/are served consistent with the target area boundaries stated in the application? If no, explain:

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**PERFORMANCE EVALUATION**

Activity Objectives and Milestones as stated in the Standard Agreement:

- 1. Is the subrecipient behind in their progress towards the goals identified?  
Yes \_\_\_\_ No \_\_\_\_

If yes, please describe the goals that have not been yet and how the agency proposes to address:

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- 2. Have there been changes in key management positions at the agency/organization?  
Yes \_\_\_\_ No \_\_\_\_

**RECORD KEEPING**

- 1. How many files were reviewed, specify number \_\_\_\_\_.
- 2. Is sub-recipient relying on current HUD Income Limits dated:  
\_\_\_\_\_  
Yes \_\_\_\_ No \_\_\_\_
- 3. Identify the sample types of income documentation examined in each client file reviewed (e.g., 1040s, W-2s, current pay-stubs for a three-month, etc.) examined:
  - 1. \_\_\_\_\_
  - 2. \_\_\_\_\_
  - 3. \_\_\_\_\_
- 4. Do records contain other required client information (names, addresses, gender, etc.)?  
Yes \_\_\_\_ No \_\_\_\_
- 5. Are records sufficient in terms of identifying clients and including appropriate income information and were the reviewed applicants eligible for services as required applicants review?  
Yes \_\_\_\_ No \_\_\_\_

**RECORDKEEPING AND DOCUMENTATION**

The contract signed between the County and the subgrantee specifies that records/documents be maintained including:

- Description of activities to be taken;
- Information indicating that a National Objectives is being met by the activities conducted;
- Eligibility information demonstrating eligibility of activities;
- Documents on use of NSP1 funds for acquisition/improvement/use/disposition of real property;
- Documents showing compliance with fair housing, affirmative action; equal opportunity requirements;
- Financial records
- Other records: labor, environmental standards; National Flood Insurance; displacement/relocation/acquisition/replacement of housing; employment/contracting opportunities; lead-based paint; debarred contractors; cost principles, conflict of interest.

1. Are applicable records kept?

Yes \_\_\_\_ No \_\_\_\_

Identify records/documents not being maintained as required, and why not:

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2. Will records be maintained for five years after termination of activities funded under this agreement, as specified in the agreement?

Yes \_\_\_\_ No \_\_\_\_

**FINANCIAL INFORMATION:**

1. Does sub-grantee have a current audit (FY \_\_\_\_\_) including a management letter available for review?

Yes \_\_\_ No \_\_\_\_\_

If not , explain:

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2. Are the reimbursement requests submitted to the County supported by adequate documentation (time sheets if salary; invoices if supply or equipment purchased, etc.)?

Yes \_\_\_ No \_\_\_\_\_

3. Does the project have program income?

Yes \_\_\_ No \_\_\_\_\_

4. If yes, is income reported to the County?

Yes \_\_\_ No \_\_\_\_\_

5. Is there any evidence of cash flow problems?

Yes \_\_\_ No \_\_\_\_\_

If Yes, explain:

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6. Are there any obvious instances of unnecessary or unreasonable expenditures?

7. Salaries

Yes \_\_\_  No \_\_\_\_\_

8. Administrative Services or Cost

Yes \_\_\_  No \_\_\_\_\_

9. Travel

Yes \_\_\_  No \_\_\_\_\_

10. Entertainment

Yes \_\_\_  No \_\_\_\_\_

11. Has the agency purchased any personal property with NSP1 funds?

Yes \_\_\_ No \_\_\_\_\_

12. If any portion of a salary is paid with NSP1 funding, is there any evidence of payment for time spent on other than the NSP1 activity funded?  
Yes \_\_\_ No \_\_\_

**PROGRAM INCOME**

1. Is the agency/program generating program income?  
Yes \_\_\_ No \_\_\_
2. Is the agency allowed to retain or return program income?  
RETAIN \_\_\_ RETURN \_\_\_
3. If the agency is retaining program income, is the agency regularly and accurately reporting how much program income is being earned?  
Yes \_\_\_ No \_\_\_
4. Is the agency using program income for eligible NSP1 activities?  
Yes \_\_\_ No \_\_\_
5. Is the agency using program income funds on hand before making a request for reimbursement with additional NSP1 grant funds?  
Yes \_\_\_ No \_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**COMPLIANCE INFORMATION:** (If not applicable, skip)

1. Did the subrecipient place the appropriate affordability provisions on units purchased with NSP1 funds?

Yes \_\_\_\_ No \_\_\_\_

2. Did the subrecipient ensure that property appraisals meet NSP requirements?

Yes \_\_\_\_ No \_\_\_\_

If not, explain:

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3. Did the subrecipient ensure that the sales price was at a 1% discount?

Yes \_\_\_\_ No \_\_\_\_

4. Was a HUD-1 provided for each property purchased and sold?

Yes \_\_\_\_ No \_\_\_\_

*Housing Specific Documentation:* Please ensure that the applicable information is contained in the client files. For those files with incomplete information, please specify what information is missing.

- Project Agreement
- Sub-Recipient / Developer and Borrower Contract
- Construction Contract and Budget between Owner and Contractor
- Inspection Reports
- Work Specifications and Cost Estimates
- Project Bids
- Subcontract List
- Permits and Approvals
- Lien Waiver
- Subcontractor Name, Address, Federal Id #, MBE / WBE Status, License #, Proof of Insurance Coverage
- Subcontractor Contract, Date Work Started / Completed
- Completion Certificate
- Rehab Specialists Construction Reports
- Copy of the Notice to Proceed
- Lead Based Paint Hazard Notification
- Home Mortgage / Note / Right of First Refusal (Loans Only)
- Recorded Declaration of Covenants
- Underwriting Documents (See Attached)
- Closing Documents

*Davis-Bacon Compliance:*

Yes \_\_\_ No \_\_\_

Is this project subject to Davis-Bacon regulations?

Was a wage determination requested?

Is determination on file?

Date of pre-construction meeting?

Were Davis-Bacon reports' filed as required?

Is project in compliance with Davis-Bacon requirements?

If not in compliance, state deficiencies and measures needed to correct:

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**PROCUREMENT INFORMATION**

- Has any of the work done under this program been contracted out?  
Yes \_\_\_ No \_\_\_
- Are price/rate quotations obtained from an adequate number of qualified sources?  
Yes \_\_\_ No \_\_\_
- Was item put out to formal bid?  
Yes \_\_\_ No \_\_\_
- If applicable, did the agency utilize the Department of Labor's list of Disadvantaged Enterprises?  
Yes \_\_\_ No \_\_\_

**GENERAL COMMENTS:**

Issues encountered:

1. Were there any concerns identified in the monitoring?  
Yes \_\_\_ No \_\_\_

*[A concern is a matter which, if not properly addressed, can become a finding and can result in sanctions]*

2. Were there any findings identified in the monitoring?  
Yes \_\_\_ No \_\_\_

*[A finding is a violation of law or regulations which can result in a sanction]*

3. Does the agency need any technical assistance  
Yes \_\_\_ No \_\_\_

If so, what are the identified areas?

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Monitor (s): \_\_\_\_\_ Date: \_\_\_\_\_

Monitor (s): \_\_\_\_\_ Date: \_\_\_\_\_



# FY 2015 GANN LIMIT

**FIFTEEN-YEAR HISTORY OF PRICE AND POPULATION FACTORS &  
TAX APPROPRIATIONS LIMITS  
FOR FISCAL YEARS 2001 TO 2015**

Fiscal Year	Per Capita Adjustment		Population Adjustment	=	Total Adjustment	Appropriations Limit
2001	1.0491	X	1.0040	=	1.0533	6,470,309
2002	1.0782	X	1.0020	=	1.0804	6,990,240
2003	0.9873	X	1.0053	=	0.9925	6,938,041
2004	1.0231	X	1.0159	=	1.0394	7,211,173
2005	1.0328	X	1.0127	=	1.0459	7,542,286
2006	1.0526	X	1.0201	=	1.0738	8,098,584
2007	1.0396	X	1.0094	=	1.0494	8,498,429
2008	1.0442	X	1.0001	=	1.0443	8,874,947
2009	1.0429	X	1.0434	=	1.0882	9,657,379
2010	1.0062	X	1.0156	=	1.0219	9,868,844
2011	0.9746	X	1.0116	=	0.9859	9,729,746
2012	1.0251	X	1.0219	=	1.0475	10,192,393
2013	1.0377	X	1.0238	=	1.0624	10,828,370
2014	1.0512	X	1.0077	=	1.0593	11,470,430
2015	0.9977	X	1.0093	=	1.0070	11,550,478

Source: California Department of Finance Demographic Research Unit

DETERMINING THE FY 2015 RATE FACTOR		
Per Capital Personal Income FY 2014-2015 % change vs PY	-0.023	Attachment A
Population change by percent per DOF	0.93	Attachment B
Per Capita Cost of Living converted to a ratio:	-0.23+100 100	0.9977
Population converted to a ration:	.93+ 100 = 100	1.0093
<b>Calculation of factor for FY 2014-2015</b>	<b>0.9977 X 1.0093 =</b>	<b>1.0070</b>

Source: California Department of Finance Letter Dated May 2014

Attachment 1

FY 2015 TAX APPROPRIATIONS SUBJECT TO THE GANN LIMIT	
Property Tax Secured	266,037
Property Tax Unsecured	13,539
Sales Tax	501,000
Business Licenses	62,500
Local Measure R Tax	141,453
S&U Tax Triple Flip (SB1096)	201,769
Property Transfer	3,500
Transient Occupancy Tx	40,000
Utility Users Tax	657,130
Pub Safety 1/2 Cent Fund	37,411
COPS SLESF	100,000
<b>Total Unadjusted Appropriations subject to the Limit</b>	<b>2,024,339</b>

Source: FY 2015 Proposed Budget and/or Tulare County Auditor-Controller Property Tax Revenue Estimates FY13/14

Gann Limit for Fiscal Year 2015 11,550,478

Projected appropriations are below limit by: 9,526,138



May 2014

Dear Fiscal Officer:

**Subject: Price and Population Information**

**Appropriations Limit**

The California Revenue and Taxation Code, section 2227, mandates the Department of Finance (Finance) to transmit an estimate of the percentage change in population to local governments. Each local jurisdiction must use their percentage change in population factor for January 1, 2014, in conjunction with a change in the cost of living, or price factor, to calculate their appropriations limit for fiscal year 2014-15. Attachment A provides the change in California's per capita personal income and an example for utilizing the price factor and population percentage change factor to calculate the 2014-15 appropriations limit. Attachment B provides city and unincorporated county population percentage change. Attachment C provides population percentage change for counties and their summed incorporated areas. The population percentage change data excludes federal and state institutionalized populations and military populations.

**Population Percent Change for Special Districts**

Some special districts must establish an annual appropriations limit. Consult the Revenue and Taxation Code section 2228 for further information regarding the appropriations limit. Article XIII B, section 9(C), of the State Constitution exempts certain special districts from the appropriations limit calculation mandate. The Code and the California Constitution can be accessed at the following website: <http://leginfo.legislature.ca.gov/faces/codes.xhtml>.

Special districts required by law to calculate their appropriations limit must present the calculation as part of their annual audit. Any questions special districts have on this issue should be referred to their respective county for clarification, or to their legal representation, or to the law itself. No state agency reviews the local appropriations limits.

**Population Certification**

The population certification program applies only to cities and counties. Revenue and Taxation Code section 11005.6 mandates Finance to automatically certify any population estimate that exceeds the current certified population with the State Controller's Office. **Finance will certify the higher estimate to the State Controller by June 1, 2014.**

**Please Note:** Prior year's city population estimates may be revised.

If you have any questions regarding this data, please contact the Demographic Research Unit at (916) 323-4086.

MICHAEL COHEN  
Director  
By:

KEELY M. BOSLER  
Chief Deputy Director

Attachment

- A. **Price Factor:** Article XIII B specifies that local jurisdictions select their cost of living factor to compute their appropriation limit by a vote of their governing body. The cost of living factor provided here is per capita personal income. If the percentage change in per capita personal income is selected, the percentage change to be used in setting the fiscal year 2014-15 appropriation limit is:

Per Capita Personal Income

Fiscal Year (FY)	Percentage change over prior year
2014-15	-0.23

- B. Following is an example using sample population change and the change in California per capita personal income as growth factors in computing a 2014-15 appropriation limit.

**2014-15:**

Per Capita Cost of Living Change = -0.23 percent  
 Population Change = 0.95 percent

Per Capita Cost of Living converted to a ratio:  $\frac{-0.23 + 100}{100} = 0.9977$

Population converted to a ratio:  $\frac{0.95 + 100}{100} = 1.0095$

Calculation of factor for FY 2014-15:  $0.9977 \times 1.0095 = 1.0072$

**Attachment B**  
**Annual Percent Change in Population Minus Exclusions\***  
**January 1, 2013 to January 1, 2014 and Total Population, January 1, 2014**

County City	<u>Percent Change</u> 2013-2014	<u>Population Minus Exclusions</u>		<u>Total Population</u> 1-1-2014
		1-1-13	1-1-14	
<b>Tulare</b>				
Dinuba	2.47	23,096	23,666	23,666
Exeter	0.42	10,495	10,539	10,539
Farmersville	0.36	10,893	10,932	10,932
Lindsay	0.93	12,533	12,650	12,650
Porterville	0.38	55,074	55,285	55,697
Tulare	1.01	61,238	61,857	61,857
Visalia	0.82	128,525	129,582	129,582
Woodlake	0.52	7,671	7,711	7,711
Unincorporated	0.50	145,974	146,709	146,812
<b>County Total</b>	<b>0.75</b>	<b>455,499</b>	<b>458,931</b>	<b>459,446</b>

\*Exclusions include residents on federal military installations and group quarters residents in state mental institutions, state and federal correctional institutions and veteran homes.

# RESOLUTION

**RESOLUTION NO. 14-29**  
**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY**  
**APPROVING THE FISCAL BUDGET FOR 2014-2015.**

At a Regular meeting of the City Council of the City of Lindsay held on the 24<sup>th</sup> day of June, 2014 at 6:00 p.m. of said day, in the Council Chambers at City Hall, 251 East Honolulu, Lindsay, California the following resolution was adopted:

**WHEREAS**, the City Manager of the City of Lindsay has presented to the Lindsay City Council, a Budget of anticipated receipts and expenditures for the Fiscal Year beginning July 1, 2014 and ending June 30, 2015; and

**WHEREAS**, said presentation includes projected Revenues for Fiscal Year 2014/15 of \$13,045,438 and projected Expenditures of \$13,610,771 requiring use of unreserved General Fund Balance of \$491,115 and Sewer Fund Balance of \$74,218 for a total balanced operating budget of \$13,610,771 of which \$4,372,218 is specific to the General Fund, with the remaining \$9,238,553 comprised of activity for Special Revenue and Enterprise Funds inclusive of Debt Service and Capital Improvement, and

**WHEREAS**, after a duly held public hearing and careful consideration thereon, the Lindsay City Council made detailed review and adjustments thereto and finds and determines that said budget is necessary and in all respects proper; and

**WHEREAS**, it is mandated that the City Council authority of the adopted budget shall be for the City as a whole and that a change to appropriation in total shall be subject to approval of the Council and;

**WHEREAS**, it is hereby declared that, in addition to the City Council's level of authority, there is a need for a level of administrative authority over the adopted budget. Therefore, the City Manager shall have the administrative authority to approve appropriation transfers between expenditure line-item accounts as long as the funding source for the line-item from which the appropriation is being transferred is a legal funding source for the new anticipated use.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Lindsay that the Fiscal Year 2014-2015 Budget for the City of Lindsay, as finally presented this date, is hereby approved.