



LINDSAY CITY COUNCIL REGULAR MEETING AGENDA

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

Notice is hereby given that the Lindsay City Council will hold a Regular Meeting on August 23, 2022, at 6:00 PM in person and via webinar. The webinar address for members of the public is <https://zoom.us/j/99279557087>.

Persons with disabilities who may need assistance should contact the City Clerk at least 24 hours prior to the meeting at (559) 562-7102 ext. 8034 or via email at lindsay.cityclerk@lindsay.ca.us.

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **PLEDGE**

Led by Council Member SANCHEZ.

4. **APPROVAL OF AGENDA**
5. **PUBLIC COMMENT**

The public is invited to comment on any subject under the jurisdiction of the Lindsay City Council. Please note that speakers that wish to comment on a Regular Item or Public Hearing on tonight's agenda will have an opportunity to speak when public comment for that item is requested by the Mayor. Comments shall be limited to three (3) minutes per person, with thirty (30) minutes for the total comment period, unless otherwise indicated by the Mayor. The public may also choose to submit a comment before the meeting via email. Public comments received via email will be distributed to the Council prior to the start of the meeting and incorporated into the official minutes; however, they will not be read aloud. Under state law, matters presented under public comment cannot be acted upon by the Council at this time.

6. **COUNCIL REPORT**
7. **CITY MANAGER REPORT**
8. **RECOGNITION ITEMS**

- 8.1 Proclamation in Honor of Lindsay Starbucks (p. 4)
- 8.2 Proclamation in Honor of Constitution Week (p. 5)

9. **CONSENT CALENDAR**

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

- 9.1 Minutes from August 09, 2022, Regular Meeting (pp. 6 – 10)
- 9.2 Warrant List for August 03, 2022, through August 14, 2022 (pp. 11 – 16)

- 9.3 Consider Approval of **Resolution 22-49**, A Resolution of the City Council of the City of Lindsay Proclaiming a Local Emergency, Ratifying the Proclamation of a State Emergency by Governor Newsom on March 4, 2020, and Authorizing a Hybrid Meeting Format of the Legislative Bodies of the City of Lindsay to Allow Attendance In Person or Teleconference Pursuant to Government Code Section 54953(e)(3) (pp. 17 – 21)
- 9.4 Second Reading of **Ordinance 596**, An Ordinance of the City of Lindsay Amending Title 2 Administration and Personnel of the Lindsay Municipal Code, Amending Civil Defense and Disaster, and Authorization to Waive Full Reading of Said Ordinance and Authorize Reading by Title Only (pp. 22 – 27)
- 9.5 Consider Approval of Amendments to Article II of the City of Lindsay Finance and Accounting Policies and Procedures (pp. 28 – 31)
- 9.6 Consider Approval of **Resolution 22-51**, A Resolution of the City Council of the City of Lindsay for Retired Annuitant Appointment Under Government Code Sections 7522.56 & 21221(h) (pp. 32 – 36)
- 9.7 City of Lindsay State Auditor Report 2020-804 1-Year Response (pp. 37 – 115)

10. **DISCUSSION ITEMS**

10.1 McDermont Study Session

Presented by Joseph M. Tanner, City Manager

11. **ACTION ITEMS**

11.1 Consider Approval of Fiscal Year 2022-2023 Streets Program (pp. 116 – 117)

Presented by Neyba Amezcua, Director of City Services & Planning

11.2 Consider Approval of **Resolution 22-50**, A Resolution of the City Council of the City of Lindsay Authorizing the Submittal of an Application to the San Joaquin Valley Air Pollution Control District (SJVAPCD) for the Public Benefit Grants New Alternative Fuel Vehicle Purchase Program and Granting City Manager Authorization to Execute Any Documents Thereto (pp. 118 – 133)

Presented by Curtis Cannon, Planning Manager

12. **EXECUTIVE (CLOSED) SESSION**

12.1 Conference with Real Property Negotiators

Pursuant to Cal Gov. Code § 54956.8

Property: 365 North Sweetbriar Avenue, Lindsay, CA 93247 (APN 205-293-015-000)

Agency Negotiator: Joseph M. Tanner, City of Lindsay

Negotiating Parties: California Department of Housing and Community Development

Under Negotiation: Terms and Conditions of Potential Sale

12.2 Conference with Labor Negotiators Pursuant to Cal Gov. Code § 54957.6

Agency Designated Representative: Joseph M. Tanner, City of Lindsay

Employee Organization: Lindsay Public Safety Officers' Association

13. REQUEST FOR FUTURE ITEMS

14. ADJOURNMENT

Lindsay City Council meetings are held in the City Council Chambers at 251 E. Honolulu Street in Lindsay, California beginning at 6:00 P.M. on the second and fourth Tuesday of every month unless otherwise noticed. Materials related to an Agenda item submitted to the legislative body after distribution of the Agenda Packet are available for public inspection in the office of the City Clerk during normal business hours. Complete agenda is available at www.lindsay.ca.us. In compliance with the Americans with Disabilities Act & Ralph M. Brown Act, if you need special assistance to participate in this meeting, or to be able to access this agenda and documents in the agenda packet, please contact the office of the City Clerk at (559) 562-7102 x 8034. Notification 48 hours prior to the meeting will enable the City to ensure accessibility to this meeting and/or provision of an alternative format of the agenda and documents in the agenda packet.



Proclamation

WHEREAS, the City of Lindsay embraces the relationship shared with the residents of our charming community; and

WHEREAS, the City of Lindsay takes advantage of every opportunity to work closely with the population it serves, capitalizing on community oriented policing; and

WHEREAS, Starbucks Manager Robin Jones and her staff have not hesitated to partner with the City of Lindsay at multiple community events; and

WHEREAS, Starbucks provided refreshments at our recent Family Camp Out, certainly aiding to its huge success; and

WHEREAS, Starbucks took part in the 2022 National Night Out as well as the Annual Pancake Breakfast by providing drinks for hundreds of attendants; and

WHEREAS, Starbucks' continued volunteerism, donation of gifts and refreshments along with the everyday service they provide has certainly enhanced partnerships with the City of Lindsay, community stakeholders, residents and visitors of the City.

NOW, THEREFORE, BE IT RESOLVED, that I, Ramona Caudillo, Mayor of the City of Lindsay, do hereby proclaim, Tuesday, August 23rd, 2022, as Lindsay Starbucks Appreciation Day.

IN WITNESS WHEREOF, I hereby set my hand and caused the Seal of the City of Lindsay to be affixed this 23rd Day of August of 2022.

LINDSAY CITY COUNCIL

Ramona Caudillo, Mayor



Proclamation

WHEREAS, The Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a Republic dedicated to rule by law; and

WHEREAS, September 17, 2022, marks the two hundred and thirty-fifth anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS, it is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

WHEREAS, Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.

NOW, THEREFORE, BE IT RESOLVED, that I, Ramona Caudillo, Mayor of the City of Lindsay, along with members of the Lindsay City Council, do hereby proclaim September 17th through 23rd as Constitution Week in the City of Lindsay.

IN WITNESS WHEREOF, I hereby set my hand and caused the Seal of the City of Lindsay to be affixed this 23rd day of August 2022.

LINDSAY CITY COUNCIL

Ramona Caudillo, Mayor



**LINDSAY CITY COUNCIL
REGULAR MEETING AGENDA
MINUTES**

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

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1. **CALL TO ORDER**
2. **ROLL CALL**

Present	Council Member Serna Mayor Pro Tem Cerros Mayor Caudillo Council Member Flores Council Member Sanchez
Absent	N/A

3. **PLEDGE**

Led by Council Member FLORES.

4. **APPROVAL OF AGENDA**

- Council approved to push item 11.1 to the next regular meeting of the Lindsay City Council at staffs request.

Motion to Approve Agenda							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
CAUDILLO	SERNA	(5-0)	AYE	AYE	AYE	AYE	AYE

5. **PUBLIC COMMENT**

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email. Public comments received via email will be distributed to the Council prior to the start of the meeting and incorporated into the official minutes; however, they will not be read aloud. Under state law, matters presented under public comment cannot be acted upon by the Council at this time.

- Public comment from Alfredo Velasco from McDermont commented that he was made aware of rumors that members of the public, City, and City Council do not like him or his partner. He also stated that he has provided all financial records to the City and does not understand why the Council did not like or agree with their records. To the best of his knowledge, all records that have been submitted are true and correct. He offered to meet with members of the Council or the City to discuss any concerns that they have. He stated that they have been struggling to book events as community groups or organizations have heard rumors that they are shutting down.

6. COUNCIL REPORT

- Council Member SERNA participated in many activities over the weekend, he participated in the 2nd annual police and fire pancake breakfast, and it was a huge success. He gave a special thank you to all volunteers, police department staff, and all others who helped make the event possible. He also participated in activities that helped the united farm workers march.
- Council Member CERROS participated in the activities to help the united farm workers march. He met with the US Surgeon General's Office was to discuss how the City is addressing the mental health crisis.
- Council Member FLORES was very happy to see everyone at the United Farm Workers activities, she appreciates their efforts.
- Council Member SANCHEZ attended the United Farms Workers activities this past weekend and did not attend pancake breakfast but asked the mayor where the money will go to and how much money they raised. Mayor CAUDILLO responded saying that they made approximately \$400 more than the previous year, Sponsor checks are still due to come in, and that once she has everything, she will have total to present to Council. She said all proceeds will be given to the Lindsay Police Officer's Association (LPOA). Council Member SANCHEZ asked what proceeds went towards last year, and Officer Nave stated that it was used to purchase police weapon holsters.
- Mayor CAUDILLO reported that she attended meetings regarding ransit Safety through TCRTA. She stated that the pancake breakfast was a success, even though they rant into some issues, she thanked everyone who participated.

7. CITY MANAGER REPORT

- First day of school was today. An Ag Well Permit for the school district was approved, the well does not interfere with the City water supply and should alleviate our water situation in some capacity. Senior Center is currently closed, meals on wheels is still in operation but for information on its availability at the center is pending. Grand opening of Val's Beauty Shop at 140 West Tulare Rd is on August 13, 2022, from 10 am – 2 pm.

8. RECOGNITION ITEMS

8.1 Presentation of Letters of Appreciation to Recreation Lifeguards

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

9. PRESENTATIONS

9.1 Introduction of New Fire Apparatus Engineers

Presented by Chief Rick Carrillo, Director of Public Safety

- 9.2 Welcome of School Resource Officers and Lindsay Unified School District Update
*Presented by Chief Rick Carrillo, Director of Public Safety and
 Tom Rooney, LUSD Superintendent*

10. CONSENT CALENDAR

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

- 10.1 Minutes from July 26, 2022, Regular Meeting (pp. 4 – 8)
 10.2 Warrant List for July 01, 2022 through August 02, 2022(pp. 9 – 27)
 10.3 Treasurer’s Report for July 2022 (p. 28)
 10.4 Consider Minute Order Acceptance of the 2021 Street Seal & Rubberized Cape Seal Projects
 Revision No.1 as Complete and Grant Authorization to File a Notice of Completion (pp. 29
 – 31)
 10.5 Consider Minute Order Acceptance of the Wastewater Influent and Effluent Flow Control &
 Monitoring Project as Complete and Grant Authorization to File a Notice of Completion (pp.
 32 – 34)
 10.6 Consider Minute Order Acceptance of the Packing House Demolition Project as Complete
 and Grant Authorization to File a Notice of Completion (pp. 35 – 36)
 10.7 Consider Minute Order Approval of **Special Event Permit (SEP) No. 22-01** and Request to
 Waive Special Event Permit and Facility Use Fees for the Shakespeare in the Plaza Event at
 Sweetbriar Plaza on August 25, August 27, September 1, and September 3 of 2022 (pp. 37 –
 40)
 10.8 Consider Approval of **Resolution 22-47**, A Resolution of the City Council of the City of
 Lindsay Amending Membership Fees for the Lindsay Wellness Center (pp. 41 – 45)
 10.9 Consider the Approval of **Resolution 22-48**, A Resolution of the City Council of the City of
 Lindsay Approving the City of Lindsay Social Media Policy (pp. 46 – 53)

Motion to Approve Consent Calendar							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
CAUDILLO	CERROS	(5-0)	AYE	AYE	AYE	AYE	AYE

11. ACTION ITEMS

- 11.1 Consider Approval of Fiscal Year 2022-2023 Streets Program (pp. 54 – 55)
Presented by Neyba Amezcua, Director of City Services & Planning

- This item was pushed to the next regular meeting of the Lindsay City Council
- 11.2 Consider Designation of Voting Delegates and Alternates for the League of California Cities Annual Conference and Expo (pp. 56 – 60)
Presented by Francesca Quintana, City Clerk & Assistant to the City Manager

Motion to Appoint Mayor Pro Tem Cerros as the Delegate and Council Member Sanchez as the Alternate							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
CAUDILLO	CERROS	(5-0)	AYE	AYE	AYE	AYE	AYE

12. PUBLIC HEARINGS

12.1 First Reading of Ordinance 596, An Ordinance of the City of Lindsay Amending Title 2 Administration and Personnel of the Lindsay Municipal Code, Amending Civil Defense and Disaster, and Authorization to Waive Full Reading of Said Ordinance and Authorize Reading by Title Only (pp. 61 – 66)
Presented by Francesca Quintana, City Clerk & Assistant to the City Manager

- Mayor opened the public hearing at 7:09 PM, receiving no public comments online or in-person, the Mayor closed the public hearing at 7:10 PM

Motion to Approve Item 12.1							
1 st	2 nd	Result	SERNA	FLORES	CAUDILLO	CERROS	SANCHEZ
SANCHEZ	FLORES	(5-0)	AYE	AYE	AYE	AYE	AYE

13. EXECUTIVE (CLOSED) SESSION

13.1 Conference with Labor Negotiators Pursuant to Cal Gov. Code § 54957.6
 Agency Designated Representative: Joseph M. Tanner, City of Lindsay
 Employee Organization: Lindsay Public Safety Officers’ Association

- No report out of closed session

14. REQUEST FOR FUTURE ITEMS

- City Manager will have an update on the transit center design/progress
- Mayor Pro Tem CERROS requested an update from EDC regarding the Olive Plant.

15. ADJOURNMENT

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Check#	Fund	Date	Vendor #	Vendor Name	Description	Amount
21769						\$125.00
	400 - WELLNESS CENTER	08/05/22	5819	ANITA GUTIERREZ	JULY 2022 ZUMBA	125.00
21770						\$180.00
	101 - GENERAL FUND	08/05/22	4135	BILL WALL'S DIRECT	7/18/22 SERVER UPDA	60.00
	101 - GENERAL FUND	08/05/22	4135	BILL WALL'S DIRECT	7/25/22 SERVER UPDA	60.00
	101 - GENERAL FUND	08/05/22	4135	BILL WALL'S DIRECT	7/25/22 SERVER UPDA	60.00
21771						\$3,051.00
	552 - WATER	08/05/22	051	BSK	BACTI,MONTHLY ALK/T	2,083.00
	553 - SEWER	08/05/22	051	BSK	WASTE WATER TESTING	541.00
	556 - VITA-PAKT	08/05/22	051	BSK	WASTE WATER TESTING	427.00
21772						\$262.00
	101 - GENERAL FUND	08/05/22	5013	BUZZ KILL PEST CONT	150 N MIRAGE #150	133.00
	101 - GENERAL FUND	08/05/22	5013	BUZZ KILL PEST CONT	157 N. MIRAGE #157	33.00
	886 - SAMOA	08/05/22	5013	BUZZ KILL PEST CONT	SAMOA TOWN HOMES	43.00
	887 - SWEETBRIER TOWNHOUSES	08/05/22	5013	BUZZ KILL PEST CONT	HERMOSA TOWN HOMES	53.00
21773						\$140.40
	101 - GENERAL FUND	08/05/22	1979	CALIFORNIA BUILDING	APR-JUNE 2022 SB147	140.40
21774						\$3,438.00
	261 - GAS TAX FUND	08/05/22	6365	CENTRAL VALLEY STRI	HONOLULU&MIRAGE MAR	3,438.00
21775						\$4,350.00
	261 - GAS TAX FUND	08/05/22	1702	CENTRAL VALLEY SWEE	JULY STREET SWEEPIN	4,350.00
21776						\$1,401.00
	400 - WELLNESS CENTER	08/05/22	5930	CHRIS ALLARD	PM VISIT,BATTERY RE	1,401.00
21777						\$810.00
	101 - GENERAL FUND	08/05/22	279	CITY OF PORTERVILLE	JULY ANIMAL SERVICE	810.00
21778						\$3,705.33
	400 - WELLNESS CENTER	08/05/22	6090	CLEAN CUT LANDSCAPE	W.C. JULY LANDSCAPI	860.00
	883 - SIERRA VIEW ASSESSMENT	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-SIERRA VIEW ES	1,129.00
	884 - HERITAGE ASSESSMENT DIST	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-HERITAGE PARK	274.00
	887 - SWEETBRIER TOWNHOUSES	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-SAMOA TOWNHOME	133.00
	887 - SWEETBRIER TOWNHOUSES	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-SWEET BRIER/HE	475.00
	888 - PARKSIDE	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-PARKSIDE ESTAT	197.00
	889 - SIERRA VISTA ASSESSMENT	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-SIERRA VISTA E	83.33
	890 - MAPLE VALLEY ASSESSMENT	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-MAPLE VALLEY	45.00
	891 - PELOUS RANCH	08/05/22	6090	CLEAN CUT LANDSCAPE	JULY-PELOUS RANCH	509.00
21779						\$4,439.18
	101 - GENERAL FUND	08/05/22	6672	COLBY'S TIRE,TOWING	LIC#1226737 PAD&ROT	1,254.87
	101 - GENERAL FUND	08/05/22	6672	COLBY'S TIRE,TOWING	LIC1400762 OIL CHAN	151.16
	101 - GENERAL FUND	08/05/22	6672	COLBY'S TIRE,TOWING	LIC#1366733 REPAIRS	1,569.26
	101 - GENERAL FUND	08/05/22	6672	COLBY'S TIRE,TOWING	LIC1322839 FENDER S	346.56
	101 - GENERAL FUND	08/05/22	6672	COLBY'S TIRE,TOWING	LIC#1226627 TIRES	383.13
	101 - GENERAL FUND	08/05/22	6672	COLBY'S TIRE,TOWING	LIC#1366733 PAD&ROT	734.20
21780						\$547.07
	101 - GENERAL FUND	08/05/22	102	CULLIGAN	#53249 LATE FEE	1.42
	101 - GENERAL FUND	08/05/22	102	CULLIGAN	#53249 C.M. JULY 20	10.50
	101 - GENERAL FUND	08/05/22	102	CULLIGAN	#53249 H.R. JULY 20	17.75
	101 - GENERAL FUND	08/05/22	102	CULLIGAN	#53249 F.D. JULY 20	50.75
	400 - WELLNESS CENTER	08/05/22	102	CULLIGAN	860 N SEQUOIA JULY	48.17
	552 - WATER	08/05/22	102	CULLIGAN	18869 AVE 240	104.97
	552 - WATER	08/05/22	102	CULLIGAN	18899 AVE 240	180.76
	552 - WATER	08/05/22	102	CULLIGAN	C.S.-150 N MIRAGE	29.75
	552 - WATER	08/05/22	102	CULLIGAN	23965 RD 188	39.38
	552 - WATER	08/05/22	102	CULLIGAN	18829 AVE 240	55.12
	553 - SEWER	08/05/22	102	CULLIGAN	WWTP-23611 RD 196	8.50

21781						\$850.00
	552 - WATER	08/05/22	6118	CVIN LLC D.B.A. VAS	8/1/22-8/31/22	283.34
	553 - SEWER	08/05/22	6118	CVIN LLC D.B.A. VAS	8/1/22-8/31/22	283.33
	554 - REFUSE	08/05/22	6118	CVIN LLC D.B.A. VAS	8/1/22-8/31/22	283.33
21782						\$65.00
	400 - WELLNESS CENTER	08/05/22	6835	CYNTHIA HAMERSLAGH	REFUND SWIM LESSONS	65.00
21783						\$500.00
	400 - WELLNESS CENTER	08/05/22	6914	DAISY ANTUNA	POOL RENTAL DEPOSIT	500.00
21784						\$40.00
	400 - WELLNESS CENTER	08/05/22	6281	DENISE MARTINEZ	REFUND SWIM LESSONS	40.00
21785						\$367.30
	101 - GENERAL FUND	08/05/22	111	DEPT OF CONSERVATIO	SEISMIC COMMERCIAL	130.62
	101 - GENERAL FUND	08/05/22	111	DEPT OF CONSERVATIO	SEISMIC RESIDENTIAL	236.68
21786						\$7.50
	101 - GENERAL FUND	08/05/22	4000	DEPT. OF TOXIC SUBS	EPA ID# VERIF. FEE	7.50
21787						\$112.88
	700 - CDBG REVOLVING LN FUND	08/05/22	2540	DEPT.OF HOUSING & C	7/31/22 CDBG TO HCD	112.88
21788						\$3,177.67
	720 - HOME REVOLVING LN FUND	08/05/22	2540	DEPT.OF HOUSING & C	7/31/22 HOME TO HCD	3,177.67
21789						\$350.00
	102 - PUBLIC SAFETY ASSET FORT	08/05/22	6366	DJ RENE SALAZAR	DJ-COMMUNITY EVENTS	350.00
21790						\$4,678.35
	553 - SEWER	08/05/22	5978	DOMINO SOLAR LTD	JB-9325693-00 JUNE	4,678.35
21791						\$411.76
	101 - GENERAL FUND	08/05/22	633	ENTENMANN-ROVIN CO	DOME BADGE	411.76
21792						\$211.81
	101 - GENERAL FUND	08/05/22	1450	FRESNO OXYGEN & WEL	D,E,SML,MED CYLINDE	49.33
	101 - GENERAL FUND	08/05/22	1450	FRESNO OXYGEN & WEL	D,E,SML,MED CYLINDE	54.16
	101 - GENERAL FUND	08/05/22	1450	FRESNO OXYGEN & WEL	D,E,SML,MED CYLINDE	54.16
	101 - GENERAL FUND	08/05/22	1450	FRESNO OXYGEN & WEL	D,E,SML,MED CYLINDE	54.16
21793						\$8,493.27
	552 - WATER	08/05/22	137	FRIANT WATER AUTHOR	FKC FINAL JJP PYMT	1,527.83
	552 - WATER	08/05/22	137	FRIANT WATER AUTHOR	AUG. SLDMWA COSTS	6,965.44
21794						\$753.64
	101 - GENERAL FUND	08/05/22	148	GOMEZ AUTO & SMOG	LIC#1405530 FAN MOT	337.42
	101 - GENERAL FUND	08/05/22	148	GOMEZ AUTO & SMOG	LIC#1366864 PAD&ROT	416.22
21795						\$1,912.50
	101 - GENERAL FUND	08/05/22	5279	GREG MCQUEEN	BACKGROUND INVESTIG	1,912.50
21796						\$5,063.34
	101 - GENERAL FUND	08/05/22	5647	GRISWOLD,LASSALLE,C	MATTER:CITY MANAGER	1,656.25
	101 - GENERAL FUND	08/05/22	5647	GRISWOLD,LASSALLE,C	MATTER:POLICE DEPT.	2,226.67
	101 - GENERAL FUND	08/05/22	5647	GRISWOLD,LASSALLE,C	MATTER:CITY SERVICE	256.25
	101 - GENERAL FUND	08/05/22	5647	GRISWOLD,LASSALLE,C	MATTER:CITY MANAGER	360.42
	101 - GENERAL FUND	08/05/22	5647	GRISWOLD,LASSALLE,C	MATTER:CITY CLERK	563.75
21797						\$100.00
	101 - GENERAL FUND	08/05/22	6798	HECTOR VARGAS	ARBOR DEPOSIT REFUN	100.00
21798						\$100.00
	101 - GENERAL FUND	08/05/22	6604	HIPOLITO CERROS	JULY COUNCIL STIPEN	50.00
	101 - GENERAL FUND	08/05/22	6604	HIPOLITO CERROS	AUG. COUNCIL STIPEN	50.00
21799						\$225.00
	101 - GENERAL FUND	08/05/22	6346	JEFF PFEIFFER	OLIVE BOWL SQUIRREL	225.00
21800						\$100.00
	101 - GENERAL FUND	08/05/22	2601	JOHN HIBLER WEATHER	WEATHER SVCS JUN/JU	100.00
21801						\$300.00
	400 - WELLNESS CENTER	08/05/22	5804	KELSIE AVINA	JULY 2022 ZUMBA	300.00
21802						\$5,334.00
	101 - GENERAL FUND	08/05/22	4076	LIEBERT CASSIDY WHI	MATTER:LI012-00001	1,482.00
	101 - GENERAL FUND	08/05/22	4076	LIEBERT CASSIDY WHI	MATTER:LI012-00005	1,713.00
	101 - GENERAL FUND	08/05/22	4076	LIEBERT CASSIDY WHI	MATTER:LI 012-00006	2,139.00

21803						\$10,524.00
	101 - GENERAL FUND	08/05/22	6225	LIFTOFF LLC	YEARLY OFFICE 365 L	10,524.00
21804						\$1,178.53
	400 - WELLNESS CENTER	08/05/22	5788	LINCOLN AQUATICS	LIQUID CHLORINE	1,178.53
21805						\$462.50
	101 - GENERAL FUND	08/05/22	5424	LINDSAY VETERINARY	7/27 ANIMAL SERVICE	10.00
	101 - GENERAL FUND	08/05/22	5424	LINDSAY VETERINARY	7/18 ANIMAL SERVICE	120.00
	101 - GENERAL FUND	08/05/22	5424	LINDSAY VETERINARY	7/18,7/20 ANIMAL SV	252.50
	101 - GENERAL FUND	08/05/22	5424	LINDSAY VETERINARY	7/26 ANIMAL SERVICE	80.00
21806						\$5,800.00
	400 - WELLNESS CENTER	08/05/22	6260	LLEON SERVICES	W.C-AUG CHEM BALANC	1,800.00
	400 - WELLNESS CENTER	08/05/22	6260	LLEON SERVICES	W.C INSTL POOL HEAT	4,000.00
21807						\$75.00
	400 - WELLNESS CENTER	08/05/22	6499	MARGARITA BENITEZ B	JULY 2022 ZUMBA	75.00
21808						\$150.00
	400 - WELLNESS CENTER	08/05/22	6599	MARIA EDWARDS	JULY 2022 ZUMBA	150.00
21809						\$280.00
	400 - WELLNESS CENTER	08/05/22	6869	MARIA FLORES	REFUND SWIM LESSONS	280.00
21810						\$175.92
	101 - GENERAL FUND	08/05/22	6550	MARIO SAGREDO ELECT	P.S. INSTALL OUTLET	175.92
21811						\$20.00
	400 - WELLNESS CENTER	08/05/22	5806	MELANIE SHOLANDER	REFUND SWIM LESSONS	20.00
21812						\$100.00
	400 - WELLNESS CENTER	08/05/22	6877	MICHELLE CERVANTES	REFUND SWIM LESSONS	100.00
21813						\$630.00
	101 - GENERAL FUND	08/05/22	6437	MORINDA MEDICAL GRO	JUNE 2022 CLAIMS	630.00
21814						\$13.95
	101 - GENERAL FUND	08/05/22	1565	OACYS.COM INC	DOMAIN PARKING & DN	13.95
21815						\$476.42
	552 - WATER	08/05/22	6673	PACE SUPPLY CORP	BOLT SET,FLG ADAPTE	476.42
21816						\$40.00
	400 - WELLNESS CENTER	08/05/22	6882	PATRICIA MARTINEZ	REFUND SWIM LESSONS	40.00
21817						\$45.00
	400 - WELLNESS CENTER	08/05/22	276	PORTERVILLE RECORDE	REF#261558 W.C. ADV	45.00
21818						\$15,946.30
	600 - CAPITAL IMPROVEMENT	08/05/22	4618	PROVOST & PRITCHARD	HERMOSA ST REHAB	15,946.30
21819						\$82.04
	101 - GENERAL FUND	08/05/22	285	QUILL CORPORATION	PAPER CLIPS/STICKY	25.63
	101 - GENERAL FUND	08/05/22	285	QUILL CORPORATION	STAPLES,BNDR,PAPER	56.41
21820						\$109,805.25
	552 - WATER	08/05/22	3016	QUINN COMPANY	CATERPILLAR-1171062	54,902.62
	553 - SEWER	08/05/22	3016	QUINN COMPANY	CATERPILLAR-1171062	54,902.63
21821						\$5,000.00
	552 - WATER	08/05/22	6095	RALPH GUTIERREZ WAT	JULY CPO WATER TRMT	2,500.00
	553 - SEWER	08/05/22	6095	RALPH GUTIERREZ WAT	JULY CPO SEWER TRMT	2,500.00
21822						\$50.00
	101 - GENERAL FUND	08/05/22	6602	RAMIRO SERNA	AUG. COUNCIL STIPEN	50.00
21823						\$75.00
	101 - GENERAL FUND	08/05/22	6603	RAMONA CAUDILLO	AUG. COUNCIL STIPEN	75.00
21824						\$50.00
	101 - GENERAL FUND	08/05/22	5511	ROSAENA SANCHEZ	AUG. COUNCIL STIPEN	50.00
21825						\$310.00
	101 - GENERAL FUND	08/05/22	302	SEQUOIA TOWING	TOW FEE CASE#22-112	310.00
21826						\$7,743.74
	552 - WATER	08/05/22	4555	THATCHER COMPANY IN	2022250901459CYL DE	(1,631.25)
	552 - WATER	08/05/22	4555	THATCHER COMPANY IN	2022250105281CHLORI	9,374.99
21827						\$231.00
	101 - GENERAL FUND	08/05/22	4488	SIRCHIE ACQUISITION	HDPE,SWABS,PRINT KI	231.00

21828						\$32,707.06
	101 - GENERAL FUND	08/05/22	310	SOUTHERN CA. EDISON	600001505934	1,099.80
	101 - GENERAL FUND	08/05/22	310	SOUTHERN CA. EDISON	600001505934	1,973.07
	101 - GENERAL FUND	08/05/22	310	SOUTHERN CA. EDISON	600001505934	3,032.90
	101 - GENERAL FUND	08/05/22	310	SOUTHERN CA. EDISON	600001505934	48.18
	261 - GAS TAX FUND	08/05/22	310	SOUTHERN CA. EDISON	600001505934	5,743.79
	552 - WATER	08/05/22	310	SOUTHERN CA. EDISON	600001505934	18,889.77
	553 - SEWER	08/05/22	310	SOUTHERN CA. EDISON	600001505934	417.19
	556 - VITA-PAKT	08/05/22	310	SOUTHERN CA. EDISON	600001505934	659.47
	883 - SIERRA VIEW ASSESSMENT	08/05/22	310	SOUTHERN CA. EDISON	600001505934	34.98
	884 - HERITAGE ASSESSMENT DIST	08/05/22	310	SOUTHERN CA. EDISON	600001505934	17.26
	886 - SAMOA	08/05/22	310	SOUTHERN CA. EDISON	600001505934	17.49
	887 - SWEETBRIER TOWNHOUSES	08/05/22	310	SOUTHERN CA. EDISON	600001505934	13.14
	888 - PARKSIDE	08/05/22	310	SOUTHERN CA. EDISON	600001505934	17.26
	889 - SIERRA VISTA ASSESSMENT	08/05/22	310	SOUTHERN CA. EDISON	600001505934	183.83
	890 - MAPLE VALLEY ASSESSMENT	08/05/22	310	SOUTHERN CA. EDISON	600001505934	96.61
	891 - PELOUS RANCH	08/05/22	310	SOUTHERN CA. EDISON	1209 BELLAH LDSCP	18.92
	891 - PELOUS RANCH	08/05/22	310	SOUTHERN CA. EDISON	600001505934	443.40
21829						\$85.83
	101 - GENERAL FUND	08/05/22	6551	TIME WARNER CABLE	106076601071422 JUL	85.83
21830						\$60.00
	552 - WATER	08/05/22	5691	STATE WATER RESOURC	JOSE VEGA T2 TEST	60.00
21831						\$250.00
	101 - GENERAL FUND	08/05/22	5792	THOMSON REUTERS - W	JULY ONLINE/SOFTWAR	250.00
21832						\$343.66
	400 - WELLNESS CENTER	08/05/22	3396	TK ELEVATOR CORPORA	W.C. FULL MAINTENAN	343.66
21833						\$6,210.00
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/24/22 JARROD SICK	172.80
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/31/22 JULISSA LUN	561.60
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/24 JOSHUA,JARROD,	669.60
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/24 JOSHUA,JARROD,	691.20
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/24 JOSHUA,JARROD,	691.20
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/24/22 JULISSA LUN	810.00
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/31 JARROD,JOSHUA,	831.60
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/31 JARROD,JOSHUA,	864.00
	101 - GENERAL FUND	08/05/22	5747	UNITED STAFFING	7/31 JARROD,JOSHUA,	864.00
	552 - WATER	08/05/22	5747	UNITED STAFFING	SYDNEY-WATER WASTER	21.60
	552 - WATER	08/05/22	5747	UNITED STAFFING	SYDNEY-WATER WASTER	32.40
21834						\$7,559.66
	552 - WATER	08/05/22	2960	UNITED STATES BUREA	5-07-20 W428-LTR1-P	2,427.92
	552 - WATER	08/05/22	2960	UNITED STATES BUREA	5-07-20 W428-LTR1-P	5,131.74
21835						\$664.98
	552 - WATER	08/05/22	356	USA BLUEBOOK	TELESCOPE GATE VALV	231.47
	552 - WATER	08/05/22	356	USA BLUEBOOK	WHEELER REX RATCHET	433.51
21836						\$1,252.15
	101 - GENERAL FUND	08/05/22	612	WEISENBERGERS ACE H	OLIVE BOWL OP SUPPL	447.66
	101 - GENERAL FUND	08/05/22	612	WEISENBERGERS ACE H	BLDG REPAIRS	594.21
	101 - GENERAL FUND	08/05/22	612	WEISENBERGERS ACE H	LANDSCAPE MAINTENAN	95.01
	400 - WELLNESS CENTER	08/05/22	612	WEISENBERGERS ACE H	W.C. BLDG MAINTENAN	115.27
21837						\$50.00
	101 - GENERAL FUND	08/05/22	4068	YOLANDA FLORES	AUG. COUNCIL STIPEN	50.00
21838						\$250.00
	400 - WELLNESS CENTER	08/05/22	5912	YVETTE DURAN	JULY 2022 POUND & T	250.00
21839						\$664.39
	261 - GAS TAX FUND	08/05/22	382	ZUMAR INDUSTRIES IN	STREET SIGNS	664.39
21840						\$44,697.22
	306 - COVID-19 ARPA FUND	08/05/22	6299	ERS INDUSTRIAL SERV	2ND PB-729 E HONOLU	44,697.22
21841						\$52,690.00
	306 - COVID-19 ARPA FUND	08/05/22	6299	ERS INDUSTRIAL SERV	CHANGE ORDERS #1	52,690.00

21842						\$77,268.66
101 - GENERAL FUND	08/08/22	6915	SELMA HONDA	NEW VEHICLE-CS DIR.		11,590.30
101 - GENERAL FUND	08/08/22	6915	SELMA HONDA	NEW VEHICLE FOR F.D		38,634.33
552 - WATER	08/08/22	6915	SELMA HONDA	NEW VEHICLE-CS DIR.		11,590.30
553 - SEWER	08/08/22	6915	SELMA HONDA	NEW VEHICLE-CS DIR.		7,726.87
554 - REFUSE	08/08/22	6915	SELMA HONDA	NEW VEHICLE-CS DIR.		7,726.86
UBANK7						\$14,251.62
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	NW WINDOW DECALS		104.16
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	DOLLAR GEN-WATER		12.90
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	FLIGHT-NALEO CONFER		1,200.46
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	CONWAY SHIELD-HELME		129.31
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	ZOOM		13.50
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	NEO GOV RECRUIT/ADD		130.00
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	HOME DEPOT-STROBE L		137.81
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	ADOBE		14.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	ZOOM		15.89
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	CONWAY-HELMET SHIEL		157.08
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	GROCERIES-WATER TRE		17.84
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	USPS-PARKS OP SUPPL		17.80
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	USPS-CITY CLERK		18.40
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	VIVEROS-VEHICLE DET		180.00
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	QUALITY MART-WATER		19.19
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	PANERA-HR MEETING&T		215.39
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	FIRE DEPT CLOTH-FAE		223.62
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	COUNCIL'S MEETING&T		2,400.00
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	USPS-CITY CLERK		26.95
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	BART BRIDGE-HATS		2,720.00
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	ADOBE		293.68
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	ADOBE		33.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	CHINAS ALLEY-LUNCH		34.68
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	BOND BUYER CA PUBLI		355.00
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	AMAZON-TV FOR LOBBY		400.56
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	TOWN&COUN-STAFF MEE		46.59
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	MARSHALLS-RETURN IT		(46.96)
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	WPSG-HELMET DECALS		49.97
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	STACKSOCIAL-MICROSO		49.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	STACKSOCIAL-MICROSO		49.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	STACKSOCIAL-MICROSO		49.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	STACKSOCIAL-MICROSO		49.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	NATIONAL SHERRIF DU		49.00
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	SMART&FINL-CITY LUN		50.46
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	ADOBE		50.97
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	WONDERSHARE-SOFTWAR		69.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	PUBLIC SAFETY STORE		802.01
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	MICHAEL'S-FRAMES		82.92
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	HOTEL-NALEO CONFERE		862.92
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	ADOBE		9.99
101 - GENERAL FUND	07/22/22	6326	CORPORATE PAYMENT S	MARSHALLS-TRAINING		95.86
102 - PUBLIC SAFETY ASSET FORT	07/22/22	6326	CORPORATE PAYMENT S	AMAZON-COMM EVENT		17.35
102 - PUBLIC SAFETY ASSET FORT	07/22/22	6326	CORPORATE PAYMENT S	AMAZON-COMM EVENT		17.35
102 - PUBLIC SAFETY ASSET FORT	07/22/22	6326	CORPORATE PAYMENT S	VISTAPRINT-COMM EVE		221.68
102 - PUBLIC SAFETY ASSET FORT	07/22/22	6326	CORPORATE PAYMENT S	FRISBEES-COMM EVENT		311.03
102 - PUBLIC SAFETY ASSET FORT	07/22/22	6326	CORPORATE PAYMENT S	EZ UP-COMM EVENT		455.88
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	AMAZON-ID CARD MACH		108.60
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	WALMART-CANOPY SHAD		137.66
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	DOLLAR TREE-PAINT&S		17.77
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	COSTCO-CONCESSION S		377.88
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	TONY'S PIZZA-CONCES		45.50
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	TONY'S PIZZA-CONCES		45.50

400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	TONY'S PIZZA-CONCES	48.50
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	SAVE MART-CONCESSIO	52.36
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	AMAZON-EXERCISE EQU	535.48
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	TONY'S PIZZA-CONCES	57.38
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	AMAZON-CLOCK	63.12
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	AMAZON-WRISTBANDS	70.68
400 - WELLNESS CENTER	07/22/22	6326	CORPORATE PAYMENT S	COSTCO-PAINT&SIP EV	91.02
552 - WATER	07/22/22	6326	CORPORATE PAYMENT S	CA RURAL WATER CLAS	160.00
552 - WATER	07/22/22	6326	CORPORATE PAYMENT S	CA RURAL WATER CLAS	220.00

SUMMARY BY FUNDING SOURCE

101 - GENERAL FUND	108,261.43
102 - PUBLIC SAFETY ASSET FORT	1,373.29
261 - GAS TAX FUND	14,196.18
306 - COVID-19 ARPA FUND	97,387.22
400 - WELLNESS CENTER	13,388.08
552 - WATER	116,091.08
553 - SEWER	71,057.87
554 - REFUSE	8,010.19
556 - VITA-PAKT	1,086.47
600 - CAPITAL IMPROVEMENT	15,946.30
700 - CDBG REVOLVING LN FUND	112.88
720 - HOME REVOLVING LN FUND	3,177.67
883 - SIERRA VIEW ASSESSMENT	1,163.98
884 - HERITAGE ASSESSMENT DIST	291.26
886 - SAMOA	60.49
887 - SWEETBRIER TOWNHOUSES	674.14
888 - PARKSIDE	214.26
889 - SIERRA VISTA ASSESSMENT	267.16
890 - MAPLE VALLEY ASSESSMENT	141.61
891 - PELOUS RANCH	971.32

TOTAL	\$ 453,872.88
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STAFF REPORT

TO: Lindsay City Council
FROM: Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: City Manager
ITEM NO.: 9.3
MEETING DATE: August 23, 2022

ACTION & RECOMMENDATION

Consider Approval of **Resolution 22-49**, A Resolution of the City Council of the City of Lindsay Proclaiming a Local Emergency, Ratifying the Proclamation of a State Emergency by Governor Newsom on March 4, 2020, and Authorizing a Hybrid Meeting Format of the Legislative Bodies of the City of Lindsay to Allow Attendance In Person or Teleconference Pursuant to Government Code Section 54953(e)(3).

BACKGROUND | ANALYSIS

Prior to the COVID-19 pandemic, the Brown Act placed strict requirements on teleconferencing at public meetings. When California entered into a state of emergency due to the COVID-19 pandemic, Governor Newsom loosened the Brown Act restrictions for teleconferencing meetings. However, Governor Newsom's executive order expired on September 30, 2021, which led to the passage of AB 361.

AB 361 similarly loosens the restrictions on teleconferencing under the Brown Act in times when there is a state of emergency. AB 361 states that when California is in a state of an emergency, the typical teleconferencing rules under the Brown Act do not apply.

On June 14, 2022, the Lindsay City Council was asked to consider the future meeting format of the legislative bodies of the City of Lindsay. The City Council found that there is still a state of emergency that impacts the ability of members to safely meet in person and approved a hybrid meeting format moving forward. The City will have to abide by the rules set forth in AB 361. AB 361 requires that the agenda for virtual or teleconferenced meetings must: (1) give notice of the means by which members of the public may access the meeting and offer public comment; and (2) identify and include an opportunity for all person to attend via a call-in option or an internet-based service option. Additionally, if there is a disruption which prevents members of the public from offering public comments using the call-in option or internet-based service option, the City Council shall take no further action on items appearing on the meeting agenda until public is restored. The City Council cannot require that public comments be submitted in advance of the meeting and must provide an opportunity for the public to offer comment in real time. Lastly, the City Council must make findings via a resolution that there is either a state of emergency or there are local social distancing measures in place. These findings must be made no later than 30 days after the first teleconferenced meeting. Further, every 30 days after the City Council must



STAFF REPORT

find that it reconsidered the circumstances of the state of emergency and that one of the following circumstances exist: (1) the emergency continues to directly impact the ability of members to safely meet in person, or (2) state or local officials continue to impose or recommend measures to propose social distancing.

Because the City Council will hold a hybrid meeting and utilize teleconference at the regular City Council meeting held on August 23, 2022, it must pass this resolution in order to comply with AB 361. The City Council must then decide if it wishes to continue teleconferencing, and whether it will pass another resolution in 30 days.

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS

- Resolution No. 22-49



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

NUMBER 22-49

TITLE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE EMERGENCY BY GOVERNOR NEWSOM ON MARCH 4, 2020, AND AUTHORIZING A HYBRID MEETING FORMAT OF THE LEGISLATIVE BODIES OF THE CITY OF LINDSAY TO ALLOW ATTENDANCE IN PERSON OR TELECONFERENCE PURSUANT TO GOVERNMENT CODE SECTION 54953(E)(3)

MEETING At a regularly scheduled meeting of the City of Lindsay City Council held on August 23, 2022, at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA 93247

WHEREAS, the City of Lindsay is committed to preserving and nurturing public access and participation in meetings of the City Council; and

WHEREAS, all meetings of the City of Lindsay's legislative bodies are open and public, as required by the Ralph M. Brown Act, so that any member of the public may attend, participate, and watch the City's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, state and local officials have imposed and recommended social distancing measures in the City of Lindsay, and with the COVID-19 pandemic still surging meeting in person would present imminent risk to health and safety of attendees; and

RESOLUTION NO. 22-49

Page 1 of 3



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

WHEREAS, as a consequence of the local emergency, the City Council does hereby find that the legislative bodies of the City of Lindsay shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953.

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

- SECTION 1. That the above recitals are all true and correct.
- SECTION 2. That the City Council hereby proclaims that a local emergency now exists throughout the City, and local and state orders impose and recommend social distancing in the City of Lindsay, and with the COVID-19 pandemic still surging meeting in person would present imminent risk to health and safety of attendees.
- SECTION 3. The City Council hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.
- SECTION 4. The staff and legislative bodies of the City of Lindsay are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
- SECTION 5. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) 30 days from the adoption of this Resolution; or (ii) such time the City Council adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the City of Lindsay may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

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

MEETING DATE	August 23, 2022
MOTION	
SECOND MOTION	
AYES	
ABSENT	
ABSTAIN	
NAYS	

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

FRANCESCA QUINTANA
CITY CLERK

RAMONA CAUDILLO
MAYOR



STAFF REPORT

TO: Lindsay City Council
FROM: Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: City Manager
ITEM NO.: 9.4
MEETING DATE: August 23, 2022

ACTION & RECOMMENDATION

Second Reading of Ordinance 596, An Ordinance of the City of Lindsay Amending Title 2 Administration and Personnel of the Lindsay Municipal Code, Amending Civil Defense and Disaster, and Authorization to Waive Full Reading of Said Ordinance and Authorize Reading by Title Only.

BACKGROUND | ANALYSIS

Ordinance No. 596 is intended to grant alternate disaster proclamation powers to the City Manager and the County of Tulare in the event of a local emergency. Ordinance 596 amends chapter 2.44 of the Lindsay Municipal code to add the City Manager as an alternate decision maker in the event of a disaster.

Staff recommends that the City Council pass and adopt Ordinance 596 given recent health or water emergencies in the City of Lindsay.

FISCAL IMPACT

No fiscal impact.

ATTACHMENTS

- Ordinance 596 – Redline Copy

ORDINANCE NO. 596

**AN ORDINANCE AMENDING TITLE 2 OF THE LINDSAY MUNICIPAL CODE,
AMENDING CHAPTER 2.44 CIVIL DEFENSE AND DISASTER**

THE CITY COUNCIL OF THE CITY OF LINDSAY DOES ORDAIN AS FOLLOWS:

Section 1. PURPOSE. The provisions of this ordinance are intended to grant alternate disaster proclamation powers to the City Manager and the County of Tulare in the event of a local disaster.

Section 2. CODE ENACTMENT. Lindsay Municipal Code, Title 2 is hereby amended as follows:

Chapter 2.44

Civil Defense and Disaster

2.44.050 Council; Created

- A. The civil defense and disaster council of the Tulare operational area, which may be referred to as the disaster council, is created and shall consist of the following:
 - 1. One member of the board of supervisors of the county to be appointed by the board;
 - 2. The mayors of the cities of Dinuba, Exeter, Farmersville, Lindsay, Porterville, Tulare, Visalia and Woodlake, or alternates appointed by the respective city councils;
 - 3. The director of civil defense and disaster of the Tulare operational area, who shall be an ex officio member and who shall not be entitled to a vote at the meetings of the disaster council;
 - 4. Two persons residing in the unincorporated area of Tulare County who shall be appointed by the other members of the disaster council.
- B. The member of the board of supervisors selected to serve on the disaster council shall serve as chairman of the disaster council, and the members of the disaster council shall elect a vice chairman and such other officers as they deem necessary, and they shall prescribe their own rules of procedure. The disaster council shall meet upon call of the chairman; or, in his absence from the county or inability to call such a meeting, upon the call of the vice chairman.

2.44.070 Council; Chairman

The chairman of the disaster council is empowered to perform the following acts:

- A. To request the council of the city to proclaim the existence or threatened existence of a local disaster and the termination thereof, if the city council is in session, or to issue such a proclamation if the city council is not in session, subject to confirmation by the city council at the earliest practicable time.
- B. To request that the mayor request the Governor to proclaim a state of extreme emergency or disaster when in the opinion of the chairman the resources of the area or region are inadequate to cope with the local disaster.

2.44.080 Director, Office Created

There is created the position of director of civil defense and disaster of the Tulare operational area, who may be referred to as the director. The director of civil defense and disaster of the county shall serve as the director, and his staff shall serve as the staff of the civil defense and disaster office of the Tulare operational area. The board of supervisors of the county shall consider the recommendations of the disaster council in the appointment or discharge of the director.

2.44.090 Director; Powers And Duties

The director is empowered:

- A. To control and direct the efforts of the civil defense and disaster organization of the Tulare operational area for the accomplishment of the purposes of this chapter;
- B. To direct the coordination and cooperation between divisions, services and staff of the civil defense and disaster organization of the Tulare operational area, and to resolve questions of authority and responsibility that may arise between them;
- C. To represent the civil defense and disaster organization of the Tulare operational area in all dealings with public or private agencies pertaining to civil defense and disaster;
- D. To prepare a civil defense plan and program for the Tulare operational area.

2.44.100 Director, Disaster Proclamation Powers

In the event of the proclamation of a local disaster as provided in Section 2.44.080, or the proclamation of a state of extreme emergency or disaster by the Governor, ~~or~~ the director of the disaster office of the state, or the County, or the City Manager~~director~~ is empowered to perform the following acts:

- A. To make and issue rules and regulations on matters reasonably related to the protection of life and property as affected by the disaster; provided, however, that

the rules and regulations must be confirmed at the earliest practicable time by the disaster council;

- B. ~~Subject to the approval of the city council,~~ to obtain vital supplies, equipment and such other properties found lacking and needed for the protection of the life and property of the people, and to bind the city for the fair value thereof and, if required, to commandeer the same immediately for public use.
- C. To require emergency services of any city officer or employee, and in the event of the proclamation of a state of extreme emergency or disaster by the Governor or County in the region in which the city is located, to commandeer the aid of as many citizens as they thinks necessary in the execution of their duties. Such persons shall be entitled to all privileges, benefits and immunities which are provided by state law for registered civil defense and disaster worker volunteers;
- D. To requisition necessary personnel or material of any city department or agency;
- E. To execute all of the special powers conferred upon them by this chapter or by resolution adopted pursuant to this chapter, all powers conferred upon them by any statute, by agreement approved by the city council, or by any other lawful authority;
- F. To exercise complete authority over the city and to exercise all police power vested in the city by the constitution and general law, if law if all members of the city council are unavailable.

All other code sections in Title 2 of the Lindsay Municipal Code remain unchanged.

Section 3. CEQA REVIEW. The City Council hereby finds that this ordinance is not subject to review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15060(c)(2) [the activity will not result in direct or reasonably foreseeable indirect physical changes in the environment].

Section 4. NO LIABILITY. The provisions of this ordinance shall not in any way be construed as imposing any duty of care, liability or responsibility for damage to person or property upon the City of Lindsay, or any official, employee or agent thereof.

Section 5. PENDING ACTIONS. Nothing in this ordinance or in the codes hereby adopted shall be construed to affect any suit or proceeding pending or impending in any court, or any rights acquired, or liability incurred, or any cause or causes of action acquired or existing, under any act or ordinance or code repealed by this ordinance, nor shall any just or legal right or remedy of any character be lost, impaired or affected by this ordinance.

Section 6. SEVERABILITY. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance, or its application to any person or circumstance, is for any reason held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of the remaining sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases of this ordinance, or its application to any other person or circumstance. The City Council of the City of Lindsay hereby declares that it would have adopted each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that any one or more other sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases hereof be declared invalid or unenforceable.

Section 7. CONSTRUCTION. The City Council intends this ordinance to supplement, not to duplicate or contradict, applicable state and federal law and this ordinance shall be construed in light of that intent. To the extent the provisions of the Lindsay Municipal Code as amended by this ordinance are substantially the same as provisions in the Lindsay Municipal Code existing prior to the effectiveness of this ordinance, then those amended provisions shall be construed as continuations of the earlier provisions and not as new enactments.

Section 8. EFFECTIVE DATE. The foregoing ordinance shall take effect thirty (30) days from the date of the passage hereof. Prior to the expiration of fifteen (15) days from the enactment hereof a certified copy of this ordinance shall be posted in the office of the City Clerk pursuant to Government Code section 36933(c)(1) and a summary shall be published once in the Porterville Recorder, a newspaper printed and published in the City of Porterville, State of California, together with the names of the Council members voting for and against the same.

THE FOREGOING ORDINANCE, read by title only with waiving of the reading in full, was introduced at a regularly scheduled meeting on the ____th day of _____ 2022.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council held on the ____th day of _____ 2022.

CITY COUNCIL OF THE CITY OF LINDSAY

Ramona Caudillo, Mayor

ATTEST:

Francesca Quintana~~Mayra Espinoza Martinez~~, City Clerk



STAFF REPORT

TO: Lindsay City Council
FROM: Juana Espinoza, Director of Finance
DEPARTMENT: Finance
ITEM NO.: 9.5
MEETING DATE: August 23, 2022

ACTION & RECOMMENDATION

Consider Approval of Amendments to Article II of the City of Lindsay Finance and Accounting Policies and Procedures.

BACKGROUND | ANALYSIS

The primary objectives for the City of Lindsay's internal control structure for cash handling are to ensure that the assets of the City are protected from loss, theft, or misuse.

Staff has updated Article II of the Finance Policies and Procedures to clarify and reinforce safe cash handling procedures to secure City resources by strengthening internal controls. Staff recommends that Council approve of the amendments to Article II.

All other sections of the City of Lindsay's Finance and Accounting Policies and Procedures remain unchanged.

FISCAL IMPACT

None.

ATTACHMENTS

- City of Lindsay Finance and Accounting Policies and Procedures Article II Excerpt – Redline Copy

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 City Manager and Director of Finance prior to submission (see Article III: Grant Funding and Compliance Policy for full details).

Section 2. FEES AND CHARGES

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

Section 3. LOANS

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

Section 4. INVOICING AND ACCOUNTS RECEIVABLE

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

Section 5. RECEIPTS

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

Mail-Receipts

Beginning cash balances for all departments are designated restricted funds and may not be altered without written authorization from the Director of Finance. The Finance 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. The Wellness Center shall maintain a beginning cash balance of \$200 which is to be verified at the beginning of the work day and again at the end of the work day.

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

Delivery of Non-Finance Department Receipts Procedure

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 vault~~ to which only the Wellness Director ~~and their designee~~ shall have the ~~key security code~~. Weekly delivery of receipts does not relieve any of the daily cash reconciliation requirements of the department.

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

No Department shall hold receipts for more than one week prior to remittance to the Finance Department. All deposits or remittance detail must have the appropriate supporting detail attached. The Finance Department shall verify all incoming deposits and record the detail to the General Ledger the same day it is received in the Finance Department. Finance staff shall reconcile all receipt transactions, denoted by receipt type, i.e. cash, check, voucher, other (EFT) and deposit all receipts into the appropriate account on a daily basis according to the established cash receipts policy.

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

Balancing the Transaction Ledger & Bank Deposits

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

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

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

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

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

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



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

NUMBER 22-51

TITLE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY FOR RETIRED ANNUITANT APPOINTMENT UNDER GOVERNMENT CODE SECTIONS 7522.56 & 21221(h)

MEETING At a regularly scheduled meeting of the City of Lindsay City Council held on August 23, 2022, at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA 93247

WHEREAS, Government Code section 21221(h) of the Public Employees' Retirement Law permits the governing body to appoint a CalPERS retiree to a vacant position requiring specialized skills during recruitment for a permanent appointment, and provides that such appointment will not subject the retired person to reinstatement from retirement or loss of benefits so long as it is a single appointment that does not exceed 960 hours in a fiscal year; and

WHEREAS, the City of Lindsay ("City") desires to appoint as an interim appointment retired annuitant to the vacant position of Recreation Director for the City under Government Code section 21221(h), effective September 01, 2022; and

WHEREAS, the City hereby appoints Milt Stowe as an interim appointment retired annuitant to the vacant position of Recreation Director for the City under Government Code section 21221(h), effective September 01, 2022; and

WHEREAS, the City Council, the City, and Milt Stowe certify that Milt Stowe has not and will not receive a Golden Handshake or any other retirement-related incentive; and

WHEREAS, an appointment under Government Code section 21221(h) requires that the retiree is appointed to the interim appointment during recruitment for a permanent appointment; and

WHEREAS, the City Council has authorized the search for a permanent appointment to begin on August 24, 2022; and

WHEREAS, this Government Code section 21221(h) appointment shall only be made once and therefore will end on June 30, 2023, or when the permanent Recreation Director begins, whichever occurs first; and

WHEREAS, the entire employment agreement between Milt Stowe and the City has been reviewed by the City Council and is attached; and

WHEREAS, the employment shall be limited to 960 hours per fiscal year for all CalPERS employers; and

RESOLUTION NO. 22-51

Page 1 of 3



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

WHEREAS, the compensation paid to retirees cannot be less than the minimum nor exceed the maximum monthly base salary paid to other employees performing comparable duties, divided by 173.333 to equal the hourly rate; and

WHEREAS, the maximum base salary for this position is \$8,229 and the hourly equivalent is \$47.48, and the minimum base salary for this position is \$5,957 and the hourly equivalent is \$34.37; and

WHEREAS, the hourly rate paid to Milt Stowe will be \$47.48; and

WHEREAS, Milt Stowe has not and will not receive any other benefit, incentive, compensation in lieu of benefit or other form of compensation in addition to this hourly pay rate; and

THEREFORE, BE IT RESOLVED THAT the City Council hereby certifies the nature of the employment of Milt Stowe as described in this Resolution and detailed in the attached appointment document, and that this appointment is necessary to fill the critically needed position of Recreation Director for the City because the City is need of someone to act as the Recreation Director and oversee the day-to-day operations of the Recreation Department until the City can appoint a qualified Recreation Director.

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

MEETING DATE	August 23, 2022
MOTION	
SECOND MOTION	
AYES	
ABSENT	
ABSTAIN	
NAYS	



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

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

FRANCESCA QUINTANA
CITY CLERK

RAMONA CAUDILLO
MAYOR



City of Lindsay
251 E. Honolulu St.
P.O. Box 369
Lindsay, CA 93247
www.lindsay.ca.us

Contract Agreement Date

September 01, 2022

Retired Annuitant Employee

THIS AGREEMENT is entered into on the 1st day of September 2022 by and between the City of Lindsay, California, a municipal corporation, as determined by the City Manager thereof and as signified by this agreement signed by the City Manager of the City of Lindsay and Milt Stowe Retired Annuitant Employee, hereinafter called "RAE", as party of the second part, both of whom understand as follows:

NOW, THEREFORE, in consideration of the mutual covenant herein contained, the parties hereto agree as follows:

DECLARATIONS: RAE understands that RAE is a retired annuitant subject to the Public Employees' Retirement Law (PERL) and the Public Employees' Pension Reform Act (PEPRA). Specifically, RAE is subject to CalPERS post-retirement work restrictions (Government Code Sections 21221(h) and 7522.56). RAE is not a regular, permanent employee of the City of Lindsay, or any of its sub-units, and may be released at-will at any time with or without notice and without any right to appeal. RAE affirms that RAE possess the specialized skills and is eligible to serve as prescribed under the PERL and PEPRA. RAE understands that it is RAE's sole responsibility to adhere to all CalPERS post-retirement restrictions pertaining to limited service, including the 960 hour per fiscal year limit. RAE is guaranteed neither a certain number, nor a certain quality of assignments. RAE understands that if conditions change and the criteria as set forth in the PERL and PEPRA are no longer relevant or met, this contract will automatically terminate.

Section 1. Scope of Work

ESSENTIAL DUTIES AND RESPONSIBILITIES

RAE will perform the duties of the Recreation Director as described in the attached job description while the City conducts a recruitment for a permanent Recreation Director.

Section 2. Payment

The rate of pay shall be \$47.48 an hour, not to exceed 960 hours per fiscal year. RAE will not receive any benefits in addition to the hourly rate. RAE shall maintain a time sheet, with hours worked and services performed, submitted for approval biweekly to the Director of Finance, or his/her designee.

Payment shall be made with the regular City biweekly payroll, with applicable payroll taxes withheld/matched per the Federal and State tax codes; no other benefits, holidays, or leaves shall be paid to, or on behalf of RAE. The City shall report all earnings and hours to CalPERS.

Section 3. Relationship of Parties

The parties intend that this is a temporary, limited duration employment of a retired annuitant in accordance with PERL and PEPRA.

Section 4. Duration

Either party may cancel this contract at any time without notice. The term of the contract, unless cancelled earlier, shall be June 30, 2023, or when the permanent Recreation Director begins, whichever occurs first.

APPROVED AND AUTHORIZED:

Joseph Tanner, City Manager

ACCEPTED AND AGREED TO:

Milt Stowe, Retired Annuitant Employee

ATTEST:

Francesca Quintana, City Clerk



STAFF REPORT

TO: Lindsay City Council
FROM: Juana Espinoza, Director of Finance
Neyba Amezcua, Director of City Services & Planning
Francesca Quintana, City Clerk & Assistant to the City Manager
DEPARTMENT: Finance, City Manager, City Services
ITEM NO.: 9.7
MEETING DATE: August 23, 2022

ACTION & RECOMMENDATION

City of Lindsay State Auditor Report 2020-804 1-Year Response.

This is an informational item only, intended to update the Lindsay City Council on the City's upcoming submittal to the California State Auditor in response to report 2020-804.

BACKGROUND | ANALYSIS

On August 26, 2021, the State Auditor issued Report 2020-804 regarding the City of Lindsay which was conducted as part of the high-risk local government agency audit program. In Report 2020-804, the State Auditor issued a number of findings and required the City of Lindsay to submit a Corrective Action Plan by November 2021 outlining the specific actions it would take to address the conditions causing the State Auditor to designate it as high risk and the proposed timing for undertaking those actions. On November 09, 2021, the Lindsay City Council adopted Resolution 21-48, adopting the City of Lindsay Corrective Action Plan. The City is required to provide written updates to the State Auditor every six months after the audit report was issued regarding its progress in implementing the corrective action plan. The State Auditor will remove the high-risk designation when the office concludes that the City has taken satisfactory corrective action. The City has fully implemented Recommendations numbers one (1), two (2), four (4), seven (7), eight (8), ten (10), and twelve (12).

The purpose of this report is to highlight the current fees, proposed fees, and future timelines as they relate to State Auditor Recommendations numbers three (3), five (5), and six (6).

The report recommends that by **August 2022**:

Recommendation No. 3

The City should ensure that its transfers of utility funds to the streets program comply with state law, Lindsay should perform a study to determine the appropriate level of funding from its utility fund for that program by August 2022 and update that study every three to five years.



STAFF REPORT

Recommendation No. 5

To ensure that the rates and fees it charges are appropriate to cover the cost of the related services, by August 2022 Lindsay should determine its cost to provide each of the services for which it charges a fee or rate and, as necessary, improve its accounting records to identify these costs. For any fees or rates that do not cover the costs of their related services, consider increasing those fees or rates, including a phased approach for large increases. For any fees or rates that are above the cost to provide the related service, consider reducing those fees or rates.

Recommendation No. 6

To ensure that the rates and fees it charges are appropriate to cover the cost of the related services, by August 2022 Lindsay should improve its accounting records so as to identify how much revenue it receives from each fee or rate.

In response to the State Auditor Report and in accordance with the City of Lindsay Corrective Action Plan, the City has responded as follows:

Response to Recommendation No. 3

The Lindsay City Council authorized staff to award a contract for the City of Lindsay Street Fund Impact Study to Provost and Pritchard Consulting Group. Provost & Pritchard's proposal dated October 15, 2021, was incorporated into the existing task order "Financial Analysis of Water and Sewer Rates and Reports" approved by the Lindsay City Council on October 13, 2020. Provost & Pritchard's proposal provided an updated cost analysis for providing utility services and determined the cost these services bear on city streets. A summary of their comprehensive financial analysis is attached to this report.

Response to Recommendation No. 5

The City requested a partial extension relative to Recommendation No. 5 and did not receive confirmation from the State Auditor on whether the extension was granted or not. The City has procured a financial analysis of water and sewer rates through Provost & Pritchard whose findings are attached to this report. City staff has worked diligently to evaluate and review miscellaneous departmental fees and issued a Request for Proposals (RFP) that would provide a study of all citywide fees. On February 22, 2022, the contract for a Full Cost Allocation Plan, Comprehensive Citywide User Fee Study, and Impact Fee Analysis was awarded to Willdan Financial Services. The fee tables are attached to this report.

Response to Recommendation No. 6

The City plans to establish new accounting lines so as to better identify how much revenue is received from each fee or rate pending the adoption of a new Citywide fee schedule. These accounting lines would be based on the results of the full Cost Allocation Plan, Comprehensive



STAFF REPORT

Citywide User Fee Study, and Analysis by Willdan Financial. The fee tables are attached to this report.

FISCAL IMPACT

No fiscal impact at this time. This item is for informational purposes only.

ATTACHMENTS

- State Auditor Report 2020-804
- City of Lindsay Corrective Action Plan
- Street Impact Study Analysis
- Financial Analysis for Water and Sewer Rates
- Citywide Fee Tables



City of Lindsay

It Must Take Substantial Action to Address
Its Financial Problems and Its Inadequate
Management Practices

August 2021

REPORT 2020-804





CALIFORNIA STATE AUDITOR

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August 23, 2022 Regular Meeting of the Lindsay City Council



August 26, 2021
2020-804

The Governor of California
President pro Tempore of the Senate
Speaker of the Assembly
State Capitol
Sacramento, California 95814

Dear Governor and Legislative Leaders:

As directed by the Joint Legislative Audit Committee, my office presents this audit report regarding the city of Lindsay (Lindsay), which we conducted as part of our high-risk local government agency audit program. Our assessment focused on Lindsay's financial and operational risks, and we found that the city is at high risk because of its financial problems and management practices.

Lindsay has improved the condition of its general fund over the past several fiscal years, and it appears to have recently met recommended reserve levels. However, this apparent turnaround was largely because the city forgave more than \$6 million in loans from restricted funds to its general fund, a violation of Proposition 218, which restricts the use of certain local government funds. This unlawful action has exposed the city to possible litigation from taxpayers and utility ratepayers, and it obscures what we estimate to be a general fund deficit of more than \$3 million as of June 30, 2020, instead of its apparent surplus.

Because of both Lindsay's loan forgiveness and the fact that it has not regularly updated the fees and rates it charges for city services and utilities, it lacks resources in some of its utility funds. The city's water fund recently incurred a nearly \$1 million deficit and is unable to pay for necessary infrastructure projects, forcing Lindsay to seek to increase ratepayers' water rates. Not only has Lindsay forgone revenue by not adjusting the majority of its fees and rates for years, its general fund must now cover some of the city's costs to provide utilities and other services. Finally, the city lacks a long-term financial plan to adequately address its financial problems, which include the need to pay for its aging public safety vehicles and retirement obligations, such as its retiree health care costs.

Among the actions we believe the city should take to address our concerns, we recommend that Lindsay develop a plan to fully repay its utility funds for the loans it unlawfully forgave, implement a plan to update its fees and rates, and formally adopt a long-term financial plan that addresses its liabilities and financial stability.

Respectfully submitted,

A handwritten signature in black ink that reads 'Elaine M. Howle'. The signature is written in a cursive, flowing style.

ELAINE M. HOWLE, CPA
California State Auditor

Selected Abbreviations Used in This Report

CalPERS	California Public Employees' Retirement System
GFOA	Government Finance Officers Association
HCD	California Department of Housing and Community Development
OPEB	other post-employment benefit

HIGH RISK ISSUES

City of Lindsay, Tulare County

Risk Designation: **High Risk**

ISSUE	PAGE
Lindsay's Actions Raise Doubt About the Financial Stability of Its General Fund	
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Risks the City of Lindsay Faces

The City of Lindsay (Lindsay) faces several significant risks related to its financial and operational management, and it would benefit from better long-term planning. In November 2019, the California State Auditor’s Office (State Auditor) informed the city that Lindsay had been selected for review under the high-risk local government agency audit program. This program authorizes the State Auditor to identify local government agencies that are at high risk for potential waste, fraud, abuse, or mismanagement or that face major challenges associated with their economy, efficiency, or effectiveness.

We first identified that Lindsay might be at high risk based on publicly available audited financial statements and unaudited pension-related information from the California Public Employees’ Retirement System. Table 1 summarizes our risk assessment of the last three fiscal years of Lindsay’s financial indicators. We conducted a review in December 2019 and identified concerns regarding its financial stability, including its continued operating deficits, its use of funds restricted for other purposes to support the general fund, and other operational risks, such as its approach to providing public safety with combined police and fire services. For example, Lindsay used funds from its water utility to pay general city expenses, a violation of state law, and it has not planned for the expensive replacement of very old vehicles that its Public Safety Department is using. After approval from the Joint Legislative Audit Committee, we began our audit of the city in January 2021.

Table 1
Some of Lindsay’s Risk Indicator Levels Have Recently Improved

	FISCAL YEAR		
	2017–18	2018–19	2019–20
General Fund Reserves	High	High	Low*
Debt Burden	High	High	High
Liquidity	High	High	Low*
Revenue Trends	Low	Low	Moderate
Pension Obligations	Moderate	Moderate	Moderate
Pension Funding	Moderate	Moderate	Moderate
Pension Costs	Moderate	Moderate	Moderate
Future Pension Costs	High	High	High
Other Post-Employment Benefit (OPEB) Obligations	Low	Low	Low
OPEB Funding	High	High	High

Source: Analysis of risk indicator levels.

* The improvement in Lindsay’s general fund reserves and liquidity levels that resulted in its “low risk” ratings for fiscal year 2019–20 are misleading because they are primarily the result of unlawful forgiveness of loans from its utility funds to its general fund in violation of Proposition 218, which we describe further in the report.

Lindsay has taken several steps to improve its financial condition; for example, it has reduced expenditures and increased revenues through an increased sales tax and by permitting certain cannabis businesses. However, our audit found that the city has made some questionable decisions that violated state law, and until it addresses these decisions, it will struggle to create a sustainable financial future. For example, as of June 30, 2020, the city had nearly a \$3.2 million surplus in its general fund, the result of turning its \$9.5 million general fund deficit into a surplus over the course of the three previous fiscal years. However, this

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turnaround was largely accomplished by forgiving major loans from its utility funds to its general fund in 2019. The city's decision to forgive these loans violated Proposition 218, which was passed in 1996 and restricts how cities can use funds derived from property-related fees and charges, such as for water and sewer utility services. Because the city used fees paid by utility ratepayers for general government purposes rather than for utility projects and expenses, the city may be liable for a repayment of more than \$6 million. If utility ratepayers decide to sue, are successful, and obtain monetary relief, court orders, or attorneys' fees, the city will face significant financial hardship, and it would have a negative general fund balance of more than \$3 million instead of its current surplus. We also found that Lindsay violated a different provision of Proposition 218 through fund transfers to its Street Improvement Program (streets program). Although Proposition 218 restricts the use of utility funds, a nonutility fund may be reimbursed for costs it incurs on behalf of the utility, so long as the city demonstrates that those amounts reasonably represent the cost of street repairs and maintenance that result from damage, such as leaking, caused by those utilities. However, we found that Lindsay has failed to demonstrate that the nearly \$900,000 it has been annually transferring from its utility funds to the streets program comply with that provision of the law.

As a result of Lindsay's unlawful loan forgiveness, as well as the fact that it has not regularly updated the fees and rates it charges for city services and utilities, it lacks resources in some of its utility funds, which creates risk to its ability to meet its infrastructure needs. For example, when Lindsay forgave nearly \$2 million in loans from its Water Fund to its general fund, it no longer had the capital necessary to pay for certain water infrastructure projects in the city. Recently, because the city's Water Fund has incurred a nearly \$1 million deficit, Lindsay has sought

to increase ratepayers' water rates to fund its utility operations and future infrastructure needs. In general though, Lindsay has not adjusted the majority of its fees and rates for years, likely resulting in missed revenues. These outdated rates may no longer cover the city's costs to provide utilities, such as the cost to maintain its water system, and other services. As a result, the city's general fund must cover these costs, but it has a limited capacity to do so.

Lindsay would benefit from better long-term planning. Although the city has worked to increase revenues, reduce expenses, and decrease its liabilities, it must make additional substantial efforts to address its financial management problems and ensure that it can afford to maintain its services for its residents into the future. Lindsay does not currently have a long-term financial plan, which would provide useful insight into its future financial situation and help the city develop and deploy strategies for long-term sustainability. Instead, Lindsay has relied only on its annual budget process to address its short-term financial problems. The city also lacks plans to address its growing costs for its employees' post-employment health benefits and to replace its aging police and firefighting vehicles. Without a long-term financial plan to ensure that the city is proactive and transparent about addressing and resolving its fiscal challenges, including its Water Fund deficit, Lindsay continues to be at high financial risk.

To help Lindsay address the risk factors we identified, we developed numerous recommendations the city should implement, including the following:

- Address past violations of state law by developing and implementing a plan to fully repay its utility funds and by documenting how the amount of utility funds it transfers to its streets program accurately reflects the allowable costs.

- Develop and implement a plan that includes an update to its fees and rates to ensure that it has the necessary resources in its enterprise funds to pay for needed infrastructure.
- Formally adopt a long-term financial plan that addresses its liabilities, including its post-employment benefit liabilities and all of its infrastructure and capital needs.

Agency's Proposed Corrective Action

Lindsay disagreed with several of our conclusions, including that its unlawful loan forgiveness violated Proposition 218. Nonetheless, it did agree with some of our recommendations and highlighted various efforts that it has taken or plans to take to address its financial condition. However, because Lindsay did not submit a corrective action plan as part of its response, we look forward to receiving the plan by November 2021 to understand the specific actions it has undertaken or plans to take to address the conditions that caused us to designate it as high risk.

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Introduction

The city of Lindsay (Lindsay), located in Tulare County, has approximately 13,000 residents. Lindsay is a *charter city* and therefore has authority over its municipal affairs and may establish certain local ordinances beyond those state law allows for *general law cities*.¹ For fiscal year 2020–21, Lindsay had 45 full-time budgeted positions. City staff provide many services to residents, including public safety, utilities, and recreational activities. Lindsay has combined its police and fire services into a single public safety department, and its practice is to cross-train its police officers in firefighting. The city operates under a council-manager form of government. Thus, the city’s voters elect officials to a five-member city council serving staggered four-year terms, and the council in turn appoints a city manager to execute the council’s actions and to act as the chief executive and administrative officer of the city. The city manager is also responsible for keeping the city council fully informed about Lindsay’s financial condition, including any financial challenges.

Background

Lindsay has undergone changes in important leadership positions, including a complete turnover in its city council members during the last three years. In March 2020, Lindsay hired a new city manager following the January 2020 resignation of the former interim city manager, who had simultaneously

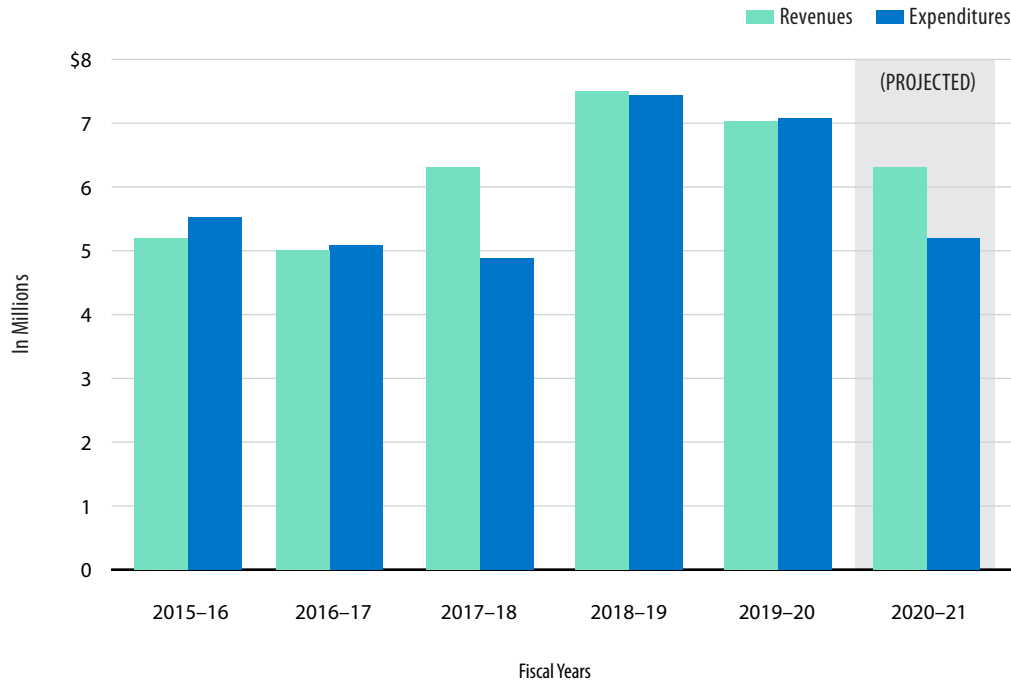
served as the finance director. The city hired a permanent finance director in May 2021, after filling the role on an interim basis with its subsequent city manager and later with a contracted finance director. The city manager and finance department prepare and administer the city’s annual budget, and the city council is responsible for safeguarding the city’s financial health and adopting its budget. In 2018 the city’s voters elected two of the current city council members. In 2020 the three other more experienced members stepped down from their positions. Just before stepping down, the five members of the city council appointed—in lieu of an election—three new members to replace the council members who were stepping down.

Lindsay’s general fund makes up nearly half of the city’s overall operating budget. For fiscal year 2020–21, Lindsay adopted a \$15 million operating budget, of which the general fund accounted for about \$6 million. Lindsay’s general fund revenues have fluctuated in the last five fiscal years, as shown in Figure 1. The city’s main source of income for its general fund is tax revenue, accounting for more than \$5 million in fiscal year 2019–20. The city also annually transfers nearly \$900,000 from its utility funds to the general fund’s Street Improvement Program (streets program) to pay for street repair and maintenance. The remainder of the city’s general fund revenue comes from other smaller sources, including revenue from licenses, permits, and fees. Under state law, Lindsay can use general funds for any legitimate governmental purpose, including funding basic city operations.

¹ Unlike a general law city, charter cities have the authority to adopt ordinances and regulations regarding municipal affairs that may be inconsistent with state law that is otherwise applicable to cities.

LOCAL HIGH RISK**Figure 1**

Lindsay's General Fund Revenues and Expenditures Have Fluctuated Over the Last Five Fiscal Years



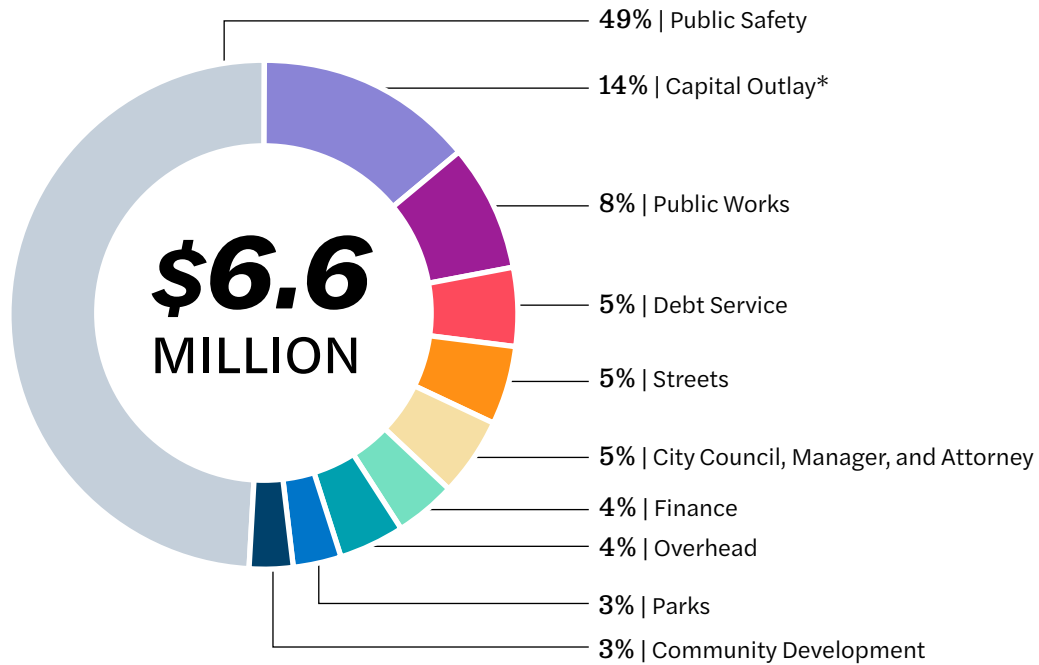
Source: Lindsay's audited financial statements for fiscal years 2015-16 through 2019-20 and its fiscal year 2021-22 budget.

Additionally, the city has revenue in its enterprise funds, which come from fees charged to users for city services, such as water distribution and waste collection. Proposition 218 requires the city to spend revenues derived from property-related fees and charges to benefit the users of those city services. Some enterprise funds that Proposition 218 affects include the Water Fund and the Sewer Fund, which property owners pay into for those services. Lindsay also maintains a Wellness Center Fund that users of its facilities pay to support; because property-related fees and charges are not used to support the fund, Proposition 218 does not apply to the Wellness Center Fund.

As highlighted in Figure 2, the majority of Lindsay's general fund expenditures pay for services such as public safety, public works, streets, and parks. The city also pays nearly \$200,000 annually for bond repayments

for the construction of the McDermont Field House sports complex. In 2008 the city completed construction of the sports complex, which is in a former citrus packing warehouse, intending for it to become a regional draw for sports competitions and to generate revenue for the city. However, the sports complex sustained annual operating losses of nearly \$1 million until the city leased the complex to a third-party operator in December 2017, which we describe further in the report.

Figure 2
Lindsay's Budgeted General Fund Expenditures for Fiscal Year 2021–22, by Category



Source: Lindsay's adopted budget for fiscal year 2021–22.

* The Capital Outlay category covers capital projects such as building improvements at city hall and purchasing police vehicles.

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

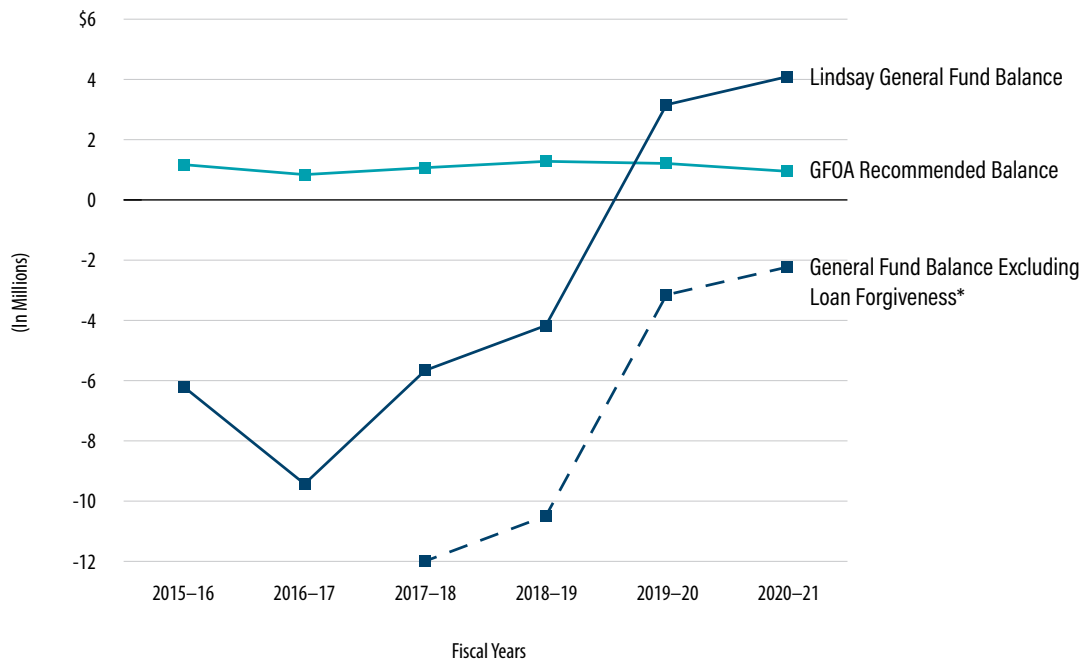
In Improving Its Financial Condition, the City Violated State Law, Exposing It to Litigation

Lindsay artificially improved its financial condition by unlawfully forgiving loans, which created liabilities that undermine its future financial condition. After years of deficits, the city achieved a general fund surplus of nearly \$3.2 million in fiscal year 2019–20, a \$12.6 million improvement from fiscal year 2016–17, when it had a deficit of nearly \$9.5 million. The general fund balance is the accumulated amount of revenues over expenditures. However, much of the improvement in Lindsay's general fund balance was due to a substantial loan forgiveness decision that was unlawful. The city violated state law when it forgave \$6.3 million in loans that it had previously made to its general fund, including about \$2 million each from its Water Fund and Sewer Fund with the remainder coming from other funds, including its Street Improvement Fund. Specifically, state law as amended by Proposition 218, restricts cities from using revenues derived from property-related fees and charges to pay for general government operations. Although state law allows a city to temporarily loan restricted funds to its general fund, here the city's forgiveness effectively converted those restricted funds into general funds, a violation of state law. Half of the city's financial improvement since fiscal year 2016–17 thus was a result of this unlawful action. Without the loan forgiveness, we estimate that Lindsay's general fund would have had a \$3.2 million deficit in fiscal year 2019–20 rather than the surplus it presented in its financial statements.

Although the city's recent general fund balance appears to have met recommended levels, Lindsay's loan forgiveness makes that surplus misleading. The Government Finance Officers Association (GFOA) recommends that cities maintain a general fund balance sufficient to cover at least two months of operating expenses.² The GFOA makes this recommendation so that cities can mitigate current and future financial risks, including unplanned expenditures or revenue shortfalls. However, as Figure 3 shows, from fiscal years 2015–16 through 2018–19, Lindsay's general fund balance was below the GFOA recommendation. The city finally met the minimum level in fiscal year 2019–20 but only by inappropriately forgiving the \$6.3 million in loans.

To sustain its basic operations in the face of budget deficits over many years, Lindsay made transfers totaling \$6.3 million from its restricted funds to its general fund and subsequently formalized those transfers as loans, which was allowable; but then in February 2019, it forgave the loans in violation of state law. Table 2 shows the amount of each restricted fund that the city transferred to its general fund. The city's financial statements show that it made the transfers over several years, at least as far back as fiscal year 2009–10, so that its general fund could maintain the city's basic operations. Before October 2017, the city inappropriately presented these transfers in its annual financial statements as short-term loans that it expected to pay back within one year. However, the city's external auditor

² The GFOA represents public finance officials, and its mission is to advance excellence in public finance, which it does by publishing best practices for governments to follow.

LOCAL HIGH RISK**Figure 3****Lindsay Recently Met the Minimum Recommended General Fund Balance Threshold Because of Its Unlawful Loan Forgiveness**

Source: Lindsay's audited financial statements, adopted budget for fiscal year 2021-22, and GFOA best practices.

Note: The general fund balance noted for fiscal year 2020-21 is a projection, as the city does not expect to complete the financial audit of these numbers until 2022.

* Although Lindsay forgave the loans in February 2019, the city did so as part of finalizing its fiscal year 2017-18 financial statements. For accounting purposes, the forgiveness took place in that fiscal year and therefore first appears in the city's fiscal year 2017-18 financial statements.

had recommended since at least fiscal year 2009-10 that the city stop presenting them as *short-term loans* because its general fund did not have enough funds to repay them on that schedule. State law allows a city to loan money from a restricted fund to the general fund if the action meets three conditions: the restricted fund has a surplus, the loan does not interfere with the purpose of the restricted fund, and the borrowing fund repays the loan as soon as possible. In October 2017, the city council formalized the loans to its general fund, changing them from short-term to long-term with interest and with dates on which it expected to repay the funds. The city did not violate state law by formalizing the loans, and its actions would

have been appropriate if it had eventually repaid the loans and the interest, but it chose not to do so.

Instead, Lindsay forgave the loans because it believed that it did not have better options for resolving its financial difficulties. In its fiscal year 2016-17 financial audit, the city's external auditor concluded that the loans raised significant doubt about the city's ability to meet its financial obligations because it could not repay them in a timely manner. In response, in February 2019 staff asked the city council to formally forgive the \$6.3 million in loans to the general fund, which would resolve the external auditor's finding. Specifically, staff noted in that request that if the city did not forgive the loans, it would

receive a finding from its external auditor on its upcoming financial statements that the city was insolvent. However, the staff report did not identify other options for the city to consider when it forgave the loans, such as adjusting the repayment schedule for the loans or issuing municipal bonds to cover its deficits. The former finance director indicated that the city was aware that forgiving the loans potentially violated state law and that it did consider other options before forgiving the loans, including adjusting repayment schedules and bankruptcy. He indicated that the city ruled out those options and that forgiving the loans was the only option it had at the time to address the city's financial difficulties. However, as we discuss above, forgiving the loans violated state law, and we therefore do not believe it was an appropriate action for the city to take.

By forgiving the loans, the city violated Proposition 218, and doing so has exposed it to possible litigation from taxpayers and utility ratepayers. Specifically, Proposition 218 amended the California Constitution to prohibit local governments from spending revenues from property-related fees and charges on general government operations. Lindsay's restricted funds include its utility funds, which receive revenue from property-related fees charged to utility ratepayers, which we refer to as *utility rates*. By forgiving the loans, the city transferred \$6.3 million from its utility funds to its general fund, including about \$2 million each from the Water Fund and the Sewer Fund, as Table 2 shows. The city uses its general fund to pay for services including police, fire, and city administration. By transferring revenues from property-related fees to pay for these services, the city violated Proposition 218. In fact, the city has known about this violation for several years because its external auditor identified in each of the city's past three financial audits that its actions had violated Proposition 218. The city manager indicated that the city would like to repay the Water Fund and Sewer Fund, but explained that it

has only informally discussed this potential repayment and does not have a formal plan for doing so. However, because the city currently does not have a sufficient general fund balance to repay these loans, it would need to do so over multiple years. Although the city confirmed that no one has made a claim for refund or sued it yet, its ratepayers may choose to do so, which could result in the city being liable for monetary relief, court orders, and attorneys' fees if the ratepayers are successful.

Table 2
Lindsay Transferred \$6.3 Million From Restricted Funds to Its General Fund Over Many Years (In Thousands)

FUND	AMOUNT TRANSFERRED
Street Improvement*	\$1,557
Water	1,907
Sewer	2,108
Refuse	402
Other†	358
Total	\$6,332

Source: Staff report, city council resolution, and audited financial statements.

* Lindsay's Street Improvement Fund contains dollars from the Water, Sewer, and Refuse utility funds. However, the city did not provide a breakdown of the amounts within the Street Improvement Fund that came from each of the utility funds.

† Other funds include a Park Improvement Fund and a Storm Drain Fund.

Lindsay Has Not Ensured That Its Streets Program Complies With State Law

In addition to its unlawful loan forgiveness, Lindsay has also violated Proposition 218 by transferring money from its utility funds to pay for its streets program. As described previously, Proposition 218 restricts cities from using revenues derived from property-related fees and charges, such as utility rates, to pay for general government operations. However, state law does allow local governments to charge

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their utilities for the cost of street repairs and maintenance that result from damage by those utilities. For example, the water utility's water lines run underneath city streets and may cause damage to the streets through leaks and projects to replace or repair the lines. Under Proposition 218, the city must demonstrate that a charge for repairs or replacement reasonably represents these costs.

In 2004 the city published a study of its water, sewer, and refuse rates and increased them, in part, to fund its streets program, which pays for the damage to the streets caused by the city's utility operations. However, Lindsay did not demonstrate that the amount generated by the rate increases represented the actual costs of the damage those utilities caused. For instance, Lindsay could have had the engineer in charge of the study analyze and report the damage that each type of utility had caused to its streets so as to identify what the appropriate amount would be to charge each fund going forward. Instead, the city began transferring a flat 23.6 percent of all its utility rates to its streets program and continues to do so today. These transfers averaged nearly \$900,000 annually during fiscal years 2017–18 through 2019–20.

The finance director indicated that she does not know whether the 23.6 percent is currently appropriate. For example, the current rate does not account for the greater wear that the finance director indicated heavier refuse vehicles are causing to its roads. However, the city acknowledged that it has never performed an analysis to demonstrate how much damage its utilities cause and how much it should be paying to the streets program to cover these damages. Until it performs this analysis, the city will not know whether it is using funds to pay for street projects that it should be spending instead on utility infrastructure. In addition, the city may be using utility ratepayer funds for nonutility purposes, such as paying to improve streets that the city's utilities did not

actually damage, which again state law does not allow. If so, this unsupported transfer would violate Proposition 218 and could expose Lindsay to litigation from its taxpayers and utility ratepayers.

Lindsay Has Found New Sources of Revenue in Recent Years, but These Have Not Adequately Improved Its Financial Condition

To improve its financial stability, Lindsay has employed several approaches to generate additional revenue. For example, the city council placed a proposed local 1 percent increase to its sales tax on the ballot, which it estimated would generate approximately \$900,000 annually and which Lindsay's voters approved in June 2017. The tax is a general sales tax, and the city may use its revenue for any legitimate government purpose, such as public safety, infrastructure, and general services. The tax became effective in October 2017 and has generated \$1.1 million in revenue annually—more than the city initially projected. In fiscal year 2019–20, the sales tax accounted for more than 15 percent of Lindsay's general revenues. Lindsay's external auditor acknowledged in the city's fiscal year 2018–19 financial statements that the sales tax is bringing needed revenue to the city.

The city has also worked to increase revenue by adopting an ordinance in May 2019 permitting certain cannabis businesses, including retailers and cultivators, to operate in the city. State law authorizes local governments to regulate or ban these activities, and the city's ordinance allows it to issue permits and collect fees. The city subsequently collected nearly \$100,000 in revenue from cannabis businesses for fiscal year 2019–20, although that was less than the \$125,000 it had budgeted for the year. However, the city budgeted \$175,000 in revenue earned from cannabis retailers and cultivators for fiscal year 2020–21, and cannabis-related revenues exceeded

those expectations. The city now projects in its budget for fiscal year 2021–22 that it will receive \$300,000 in cannabis-related revenues. The city manager believes that the expansion of the cannabis industry in Lindsay is a key component to increasing the city's revenue.

In addition, Lindsay will receive significant revenue from the federal government for COVID-19 relief that it can use for a variety of purposes. In March 2021, Congress passed the \$2 trillion American Rescue Plan Act of 2021 (American Rescue Plan), which includes funding for state and local governments based on their populations. Federal law allows cities to use these funds to respond to the negative effects of the COVID-19 pandemic, to make up for lost revenues, or to make investments in utility infrastructure. In June 2021, the federal government provided the first batch of funds to California, which is responsible for distributing the funds using a federal allocation formula for cities with populations under 50,000, which includes Lindsay. The American Rescue Plan requires states to distribute the funds using a population-based formula. The Department of Finance has initially identified an allocation of \$3.2 million to Lindsay over two years from that act, and the city should receive \$1.6 million each year in 2021 and 2022.

Lindsay has not yet specifically planned how it will spend all of these funds. According to the city manager, the city intends to use at least part of the funding to perform needed capital work on its water and sewer infrastructure. In its fiscal year 2021–22 capital improvement plan, the city indicated it would use American Rescue Plan funding for some projects, but it did not identify which ones. Until it develops a plan that describes how it will spend these funds on its highest needs, the city risks not using them appropriately. For example, the city has various needs that the American Rescue Plan money could help address, such as to pay for services to help those of its residents

most negatively affected by COVID-19 and updating its water and sewer infrastructure. The city must determine which of its needs it will fund with the American Rescue Plan money.

Similarly, in 2020 the city received other federal funding to help it respond to the COVID-19 pandemic. Specifically, the city received \$160,000 in federal COVID-19 relief from the Coronavirus Aid, Relief, and Economic Security Act, known as the CARES Act, for COVID-19-related expenses. These funds had more restrictive provisions than the American Rescue Plan funds, and the city used them to pay its employees a hazard supplement for providing services that increased their risk of exposure to COVID-19, as provided in the federal guidelines.

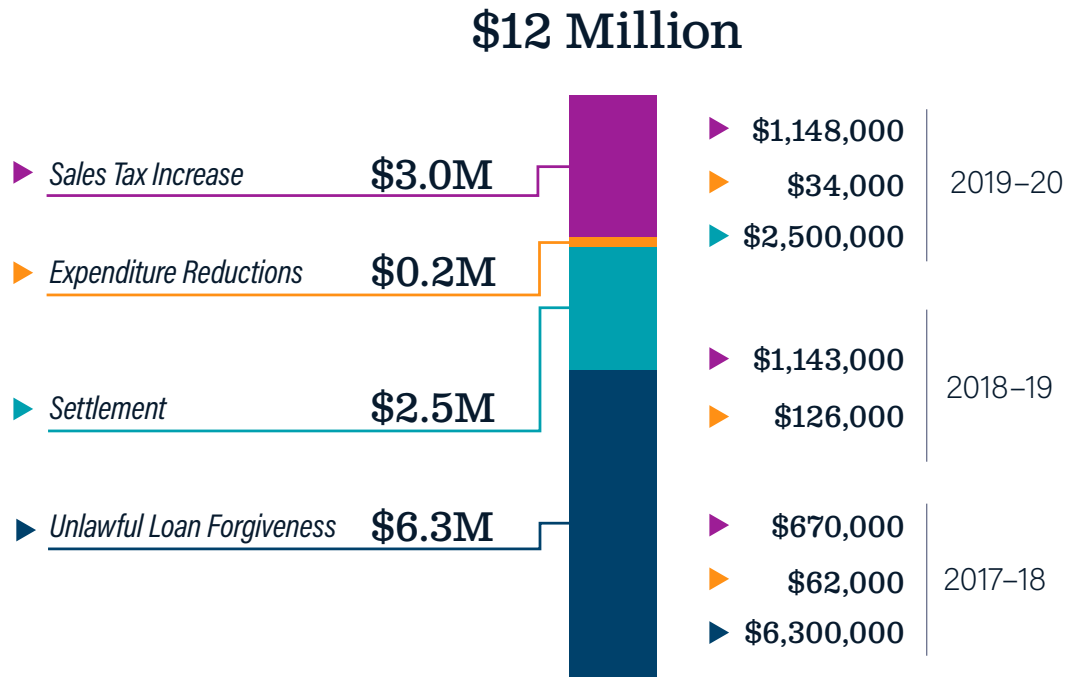
The City Reduced Some Liabilities and Expenditures, Which Partially Improved Its Finances, but Other Financial Problems Remain

Lindsay also improved its financial position by reducing expenditures and addressing several significant liabilities that were driving its general fund deficit. Between fiscal years 2016–17 and 2019–20, the city moved its unrestricted general fund balance from a nearly \$9.5 million deficit to a nearly \$3.2 million surplus. As Figure 4 shows, this approximately \$12.6 million improvement primarily was the result of Lindsay's unlawful forgiving of loans and increasing its sales tax. In addition, Lindsay reached settlement agreements that reduced the impact of a large long-term liability on the general fund.

Lindsay reduced its expenditures in several ways. Between fiscal years 2015–16 and 2019–20, it lowered its annual expenditures for operating the city government by \$600,000, or 45 percent. A total of \$400,000 of this reduction was before fiscal year 2016–17 and, as Figure 4 shows, about \$200,000 was after fiscal year 2016–17. It achieved the \$600,000 in reductions

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Figure 4
 Several Factors Contributed to Lindsay’s General Fund Balance Turnaround From Fiscal Years 2016–17 Through 2019–20



Source: Lindsay’s audited financial statements and city council minutes.

Note: From fiscal years 2016–17 through 2019–20, the city improved its general fund balance by \$12.6 million in total. Figure 4 shows the impact of specific actions the city took to improve the general fund balance and does not account for all of the general fund improvement.

by reducing staff, among other things. Specifically, the city eliminated 36 positions, nearly half of its previous staffing level. Although the city manager believes the city has sufficient staff to provide essential services, he noted that further reductions to city staffing levels would negatively affect its ability to do so. Additionally, it limited staff training costs by approving only its most critical training needs, such as those related to its police officers.

Lindsay also previously operated a sports complex, which it built in 2008 to be a regional attraction and a revenue source for the city. Lindsay paid for its construction from its general fund. However, the sports complex’s costs outpaced the revenues that it generated by more than \$1 million each

year in fiscal years 2015–16 and 2016–17, and by nearly \$1 million in fiscal year 2017–18. In response to the city’s financial challenges, in December 2017 the city council leased the sports complex to a third party, which became contractually responsible for all expenses associated with operating the complex. In entering into this lease, the city no longer had to incur the sport complex’s operating costs, which were nearly \$3 million in fiscal years 2015–16 and 2016–17, including the significant costs for its employees. However, the city continues to pay debt service costs of nearly \$200,000 annually related to a loan it entered into in 2009 to cover the sports complex’s operational cash shortfalls.

Lindsay could earn money from this agreement if the sports complex is profitable after the deduction of maintenance costs. Under the terms of the lease, the operator of the complex must pay half of its annual net profit to the city each year. In 2018, its first full year of operations, the third-party operator did earn a small profit, of which it shared \$15,000 with the city. However, the third-party operator has not earned a profit since 2018.

Lindsay also saved money through legal settlements. In September 2020, Lindsay settled with the California Department of Housing and Community Development (HCD) over the city's inappropriate use of state and federal housing grant funds, which reduced its general fund deficit by \$2.5 million. The city had inappropriately used HCD program funds to pay for city-sponsored activities and to cover operating deficits in its general fund. Between 2008 and 2017, Lindsay borrowed HCD program funds to pay for operating deficits in its general fund, sports complex, and Wellness Center (Wellness Center). A result of the settlement agreement is that Lindsay no longer has to reflect a \$2.5 million liability in its general fund, which significantly improved that fund's balance. According to the terms of the settlement agreement, instead of requiring Lindsay to repay the \$2.5 million immediately, HCD required the city to make an initial payment of \$10,000, and 30 annual payments of roughly \$90,000 thereafter.

Lindsay also reached a settlement agreement with the California Department of Transportation (Caltrans) that reduced some of the city's financial obligations but did not change its general fund balance. Specifically, Caltrans found that Lindsay had billed it for services, materials, and labor costs that the city could not support with source documentation and that Lindsay mismanaged construction change orders for multiple projects it completed using state funding in the early 2000s. Caltrans initially demanded

that the city repay approximately \$1 million in fiscal year 2016–17. Following negotiations, in 2019 the city accepted a settlement offer from Caltrans that required repayment of nearly \$350,000, which the city must pay in equal installments over a seven-year term. Although this settlement did not increase the city's general fund balance, it significantly reduced the city's financial obligation to Caltrans and mitigated the potential financial burden of the repayment on the city's general fund.

Recommendations to Address This Risk

- *To address the \$6.3 million it improperly transferred to its general fund, Lindsay should, by February 2022, re-establish the loans to its restricted funds, and develop and implement a plan to fully repay those funds.*
- *To make prudent investments from federal funding to address its highest needs, Lindsay should develop a plan by November 2021 for how it will effectively use all American Rescue Plan funds.*
- *To ensure that its transfers of utility funds to the streets program comply with state law, Lindsay should perform a study to determine the appropriate level of funding from its utility funds for that program by August 2022 and update that study every three to five years.*

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

Deficits and Inappropriate Loan Forgiveness Led to Negative Balances in the City's Enterprise Funds, Limiting Its Ability to Effectively Operate Its Utilities

Lindsay's annual deficits and loan forgiveness have led to negative balances in its enterprise funds. Table 3 provides information on the balances of three of the city's main enterprise funds from fiscal years 2015–16 through 2019–20. Each of these funds is responsible for receiving and spending revenue for specific utilities, such as water and sewer, or the city's recreational services, which the city provides through the Wellness Center Fund. Two of these funds, the Water Fund and Wellness Center Fund, are currently in hundreds of thousands of dollars of deficit.

The Water Fund's nearly \$1 million deficit was caused by the city's loan forgiveness and by the city spending more than the fund receives in revenue from users. As we describe previously, in 2019 the city violated state law by forgiving a nearly \$2 million loan from the Water Fund to its general fund. Lindsay forgave the loan because it believed that the general fund could not realistically repay the Water

Fund; however, by doing so, the city created a deficit in the Water Fund of \$585,000.³ In addition, the Water Fund has operated at a loss in recent years, with operating deficits of \$143,000 in fiscal year 2018–19 and \$149,000 in fiscal year 2019–20. The cumulative effect of these two problems has led to a nearly \$1 million negative balance in the Water Fund at the end of fiscal year 2019–20, which Table 3 shows.

This deficit in Lindsay's Water Fund is limiting the city's ability to effectively operate its water system. Specifically, the Water Fund has no money for capital improvements or unexpected repairs to keep the system running safely and efficiently. In a 2019 budget presentation, the city indicated that its Water Fund could not adequately fund needed projects, such as replacing a main water line or renovating a water storage tank. Similarly, in Lindsay's fiscal year 2019–20 financial audit, city management stated that the Water Fund has no money available for unplanned maintenance or other necessary capital improvements. The city

³ This deficit appears in the fiscal year 2017–18 financial statements because of the timing and method of the loan forgiveness.

Table 3
Lindsay's Enterprise Funds Experienced Frequent Deficit Balances From Fiscal Years 2015–16 Through 2019–20 (In Thousands)

Fund	2015–16	2016–17	2017–18	2018–19	2019–20
Water	\$1,039	\$1,100	\$(585)	\$(771)	\$(966)
Sewer	(1,094)	1,253	(535)	36	341
Wellness Center	(940)	(879)	(283)	(360)	(319)

Source: Lindsay's audited financial statements.

Note: These amounts include the effect of both operating and nonoperating revenues and expenditures, and therefore the operating deficits discussed in the report do not correspond directly to these amounts.

LOCAL HIGH RISK

manager indicated that the city's general fund would need to pay for any emergency expenses that arise in the water system. The deficit in the Water Fund also leaves the city ill-prepared to manage crises, including the current drought. Governor Newsom declared a drought emergency in May 2021 in portions of the State, including Tulare County, where Lindsay is located. During a drought, households must conserve water, reducing their water usage; however, this conservation would likely reduce the utility revenues that the city receives through water rates. A reduction in revenue from the drought would drive the Water Fund into a deeper deficit.

“The deficit in the Water Fund also leaves the city ill-prepared to manage crises, including the current drought.”

The city's Sewer Fund is also unable to adequately fund projects. Lindsay's Sewer Fund had a positive balance at the end of fiscal year 2019–20, in contrast to its other enterprise funds; however, that positive balance is a result of the city not investing in its infrastructure. Specifically, the city has not had the resources to update its sewer infrastructure as needed, despite the positive balance. For example, although the city plans to replace its main sewer line, renovate its wastewater treatment plant, and replace equipment, it cannot do so with the limited resources in its Sewer Fund. As a result, the city is reviewing its sewer rates and may need to increase them to fund such infrastructure needs.

Although Lindsay has discussed some methods for addressing such deficits and limited resources, it lacks a formal plan to do so. As we describe previously, the city will receive

\$3.2 million in federal American Rescue Plan funds that it may use for utility infrastructure. Lindsay's city manager indicated that the city intends to use those funds for some necessary capital projects, including \$500,000 in water and sewer projects. However, the city has not determined whether this is the highest and best use of those funds. The city manager indicated that the city will develop a plan for spending those funds once the federal government issues final spending guidelines. The city also plans to contract for a utility rate study in the fall of 2021 that will include the Water Fund, Sewer Fund, and Refuse Fund, and potential adjustments to utility rates. However, until it receives the results of that study, the city does not know to what extent rate increases will address the current fund balances, including the Water Fund deficit. As we discuss above, the city improperly transferred nearly \$2 million from the Water Fund to the general fund. The city explained that it intends to repay the Water Fund from the general fund, but it does not have a formal plan to do so and has only informally discussed repayment.

The wellness center manages many of the city's parks and recreation functions, such as rentals at city parks, a recreation center, and a swimming pool. The Wellness Center Fund has had a deficit since at least fiscal year 2015–16, and it ended fiscal year 2019–20 with a \$319,000 deficit. The city uses general funds to cover the annual deficit in this fund. In fiscal year 2019–20, the city transferred \$200,000 from the general fund to the Wellness Center Fund. Similarly, the city projects that it will need to transfer \$500,000 from the general fund in fiscal year 2020–21, in part due to the pandemic. Although the wellness center uses important general fund resources, the center provides health and social benefits to city residents, and the city manager is not concerned with the city's use of general funds for this purpose. The city manager stated that because the fund provides for general parks and recreation expenses, including the swimming pool, the Wellness Center Fund is an extension of the city's general government activities.

In addition, the local hospital district contributes \$230,000 annually to the wellness center, which significantly reduces the center's operating loss. In 2021 the local hospital district increased its contribution by a total of \$375,000 over three years to pay for capital improvements at the wellness center. State law grants hospital districts in California the power to carry out activities that are necessary for the maintenance of good physical and mental health in the communities they serve. The local hospital district's activities in the area include supporting services at the wellness center. In part, because the city has partnered with the local hospital district to obtain resources to cover the operating loss of the Wellness Center Fund, we agree that the activities of the wellness center provide an important service to the residents of Lindsay and we do not have significant concerns about the deficit in this fund.

Lindsay Has Not Ensured That Its Service Fees and Utility Rates Sufficiently Cover Its Costs

Lindsay has not ensured that it collects sufficient revenue to cover the costs of services it provides because it does not periodically review and update its fees and rates. Further, the city may have foregone revenue that could help relieve some of its financial burdens. Under state law, a city can establish fees and rates at levels that allow it to recoup the full cost of services it provides as long as these do not exceed the reasonable costs of providing those services—a concept referred to as *full cost recovery*. The city's fees cover services such as issuing building permits and business licenses, facilitating background checks, and use of the wellness center. Lindsay's rates help pay for services such as water, sewer, and refuse collection.

We reviewed seven of more than 240 fees and rates in order to identify when the city last updated them, the city's cost of providing the related services, and whether the fees or rates cover the city's costs. Our selection included a residential water rate, two sewer rates, two

swimming pool fees, a planning fee, and a public safety fee. Although the city's municipal code requires it to annually evaluate whether the fees and rates it charges recover the full cost to provide the associated services, Lindsay has failed to do so. Specifically, we found that the city last updated four of the seven fees and rates we selected in 2004, more than 15 years ago. Lindsay could not identify when it last updated two of the fees and rates that we reviewed, and it updated one in 2019. As shown in Table 4, Lindsay has not regularly reviewed and updated its fees and rates as required.

“The city last updated four of the seven fees and rates we selected in 2004, more than 15 years ago.”

The city attributes its failure to update its fees regularly to the turnover in its finance department and to limited staffing. As we describe previously, the city reduced its workforce by several dozen positions over the last several years. Further, the finance director position, which is responsible for many of the steps involved in updating fees and rates, has been filled by several directors since January 2017. Although the city reported having adequate staff to provide essential services, it did not consider these administrative activities as essential. We note, however, that since we began our audit, the city has updated its fees for building permits and related activities as well as some of its public safety fees without increasing its related staffing levels. In response to our questions about its lack of updating fees and rates, the city manager stated that he intends for the city to review all of its fees and rates over the next year or two but does not have a schedule for doing so.

LOCAL HIGH RISK**Table 4**
Lindsay Does Not Follow Its Own Requirements for Regularly Reviewing Fees and Rates

LINDSAY MUNICIPAL CODE REQUIREMENT	LINDSAY'S PROCESS COMPLIES?
Set fees and rates to support the full cost of operations, including indirect costs.	X
City manager must annually:	
Review all fees and rates.	X
Provide city council with the costs of all city services.*	X
Recommend fee and rate adjustments to city council.	X
City council must:	
Annually meet to review proposed changes to fees and rates.	X
Set fees and rates as part of the annual budget process.	X

Source: Lindsay Municipal Code, and analysis of seven of the city's fees and rates.

* Although the city manager does not provide this information for each city service, the annual budget that the city manager creates does include the overall costs for all city services.

The city's municipal code requires Lindsay's city council to set fees and rates at amounts that cover the full cost of operations, including indirect and capital costs whenever possible. For example, its municipal code requires the city to include the overhead costs associated with staff provision of services, such as building and equipment maintenance and operations; communications expenses; and computer, printing, vehicle, and insurance expenses, when it sets fees and rates. However, we found that the city did not always follow this requirement. For example, Lindsay set its newly revised fingerprinting fee at a level that only recovers the salary costs for the public safety officer conducting the fingerprinting and does not include indirect costs, such as office space or supplies. Thus, the city is undercharging for this service and not recovering its full costs, as its municipal code requires.

In total, the city's fees and rates generate almost \$5 million annually in revenue, or approximately one-third of Lindsay's overall revenues. As Table 5 shows, the city does not know whether annual revenue from six of the seven fees and rates that we reviewed, including one of its monthly water rates and two of its sewer rates, covers its costs to provide those services. Because Lindsay has not regularly evaluated its service costs, it risks both undercharging and overcharging for those services. For example, we estimate that the city has been losing approximately \$5,800 a year in fingerprinting revenue, a potential loss of up to \$93,000 since the city last updated the fee in 2004. Lindsay also could be overcharging for a service, for example if it streamlined a process so that it requires less staff time to conduct, but we did not identify any examples of overcharging.

Table 5
Lindsay Has Not Evaluated Whether Its Fees and Rates Cover Related Costs

TYPE OF FEE OR RATE	FEE OR RATE WE REVIEWED	DATE LAST REVISED	COST OF SERVICE KNOWN?
Planning fee*	Home occupation permit	2019	✓
Public safety fee*	Fingerprinting	2004	X
Sewer rate	Hotels, motels, and hospitals	2004	X
Sewer rate	Residential and commercial	2004	X
Water rate	1" water meter	2004	X
Wellness center fee*	Swimming pool rental for 0–25 guests	Unknown†	X
Wellness center fee*	Spring/summer swimming pool membership	Unknown†	X

Source: Fee and rate documentation, and interviews with city staff.

* The city reviewed these fees in 2021 after we brought the outdated fees to its attention.

† The city was unable to identify when this fee was last revised.

Because of its limited accounting records, Lindsay was also unable to identify the precise amount of revenue it collects from some of its fees and rates. For example, the city could not identify its revenue from individual wellness center fees, such as the swimming pool membership it charges for spring and summer. According to the recreation director, the city records that revenue in a larger category of swimming pool fees that includes public swim fees and lap swim day passes, all of which the city deposits into a single fund. As a result, the city cannot determine whether its swimming pool membership fees appropriately cover the costs to operate its swimming pool during those times when it is open only to members. Because the city has not done so itself, we estimated the cost Lindsay incurred to operate its swimming pool for members during fiscal year 2019–20 and found that it was more than \$186,000. However, the city collected only about \$8,500 in total swimming pool fees during that time.

This difference obviously contributes to the deficit in the Wellness Center Fund that the general fund must cover.

Lindsay is at risk of subsidizing its services because it is undercharging, or it risks a lawsuit from taxpayers if it is overcharging for its services. By not regularly assessing its costs and adjusting the fees and rates to cover them, Lindsay is continuing to miss an opportunity to minimize burdens on its finances. Specifically, if it undercharges for services, the city must subsidize those services with its limited general funds. However, if it overcharges, the city exposes itself to taxpayer lawsuits for imposing a tax in violation of state law. Specifically, state law defines a charge for a service that exceeds the reasonable price of providing the service as a tax, which is then subject to the State’s requirements for imposing taxes, including a requirement that the city submit and obtain voter approval in order to implement the tax.

LOCAL HIGH RISK**Recommendations to Address This Risk**

- *To ensure that it maintains adequate balances in its enterprise funds for significant purchases or capital expenditures, Lindsay should develop and implement a plan by June 2022 to build and maintain these balances.*
- *To ensure that the rates and fees it charges are appropriate to cover the cost of the related services, by August 2022 Lindsay should do the following:*
 - » *Determine its cost to provide each of the services for which it charges a fee or rate and, as necessary, improve its accounting records to identify these costs. For any fees or rates that do not cover the costs of their related services, consider increasing those fees or rates, including a phased approach for large increases. For any fees or rates that are above the cost to provide the related service, consider reducing those fees or rates.*
 - » *Improve its accounting records so as to identify how much revenue it receives from each fee or rate.*

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

The City's Lack of a Long-Term Financial Plan Is Hindering Its Efforts to Achieve Financial Sustainability

Although Lindsay has taken some steps to improve its financial position in the short term, it has no clear plan for its long-term financial decision making. The GFOA recommends that all governments regularly engage in long-term financial planning as part of their overall strategic planning efforts. According to

the GFOA, a long-term financial plan should include several key elements, such as revenue and expenditure forecasts, strategies for achieving and maintaining financial stability, and a process for periodically reviewing and updating the plan. Figure 5 shows how Lindsay could use the GFOA's best practices to respond to the audit findings in our report. We include a discussion of the city's financial obligations related to retiree costs in the following section of the report.

Figure 5
Implementing GFOA Best Practices for a Successful Financial Plan Would Help Lindsay Address Our Recommendations



Source: GFOA best practices and this report's recommendations.

LOCAL HIGH RISK

However, Lindsay does not have a written long-term financial plan, and the long-term planning it has conducted omitted its general fund. When we asked the city manager about Lindsay's current financial plan, he stated that the only financial planning documents the city has created are its annual budgets and the capital improvement plan it presented alongside its fiscal year 2021–22 budget document. However, the city's budget does not include long-term projections for its most important fund, the general fund, which directly affects the city's ability to provide essential services to its residents. Therefore, the budget document does not provide the long-range perspective of a plan that looks five to 10 years into the future, the time horizon that GFOA recommends for such plans. Further, in the capital improvement plan that it presented with its fiscal year 2021–22 budget, Lindsay included five years of anticipated capital improvement projects for its various funds, including the Water Fund, Sewer Fund, and Wellness Center Fund. However, the capital improvement plan includes several projects that cite the city's general fund as a funding source, but without a long-term plan for its general fund, the city cannot ensure that these projects are feasible. Finally, the city's budget does not develop and then use substantive strategies to achieve long-term financial sustainability, such as the goals and actions included in Figure 5. For example, to ensure that it can meet its long-term obligations, Lindsay could develop and implement a detailed plan for prefunding its pension and other post-employment benefit (OPEB) liabilities. Because of its limited long-term financial planning, Lindsay lacks a clear picture of how best to address its financial and operational needs.

The city manager and director of finance stated that developing a long-term financial plan is a goal for the city, but they explained that the city had not done so previously due to financial instability and significant turnover of top finance department staff. However, given that the city has improved its financial

position and has hired a permanent director of finance, it is imperative that Lindsay begin to develop a long-term financial plan. Without a strategic framework to guide the city's budgetary decision making, Lindsay will likely continue to struggle to address its long-term needs and to achieve financial stability. For example, if Lindsay were to implement the GFOA best practices that we present in Figure 5 through a full financial plan, the city could prioritize the many financial challenges and risks that we have identified, such as its general fund balance and deficits in its enterprise funds.

Lindsay Needs to Address Its Rising Employee Retirement Costs

Lindsay has not prefunded its OPEB liabilities as best practices recommend, and the city's future pension costs are contributing to its high-risk status. The GFOA recommends that cities fully contribute to their pension plan each year and prefund OPEB liabilities, which are the expected future costs for employees who no longer work for the city, such as health benefits for retired workers, to ensure the sustainability of these benefits. However, at present Lindsay covers only the annual cost of the benefits for its current retirees and does not prefund OPEB costs for health benefits, including for future retirees and for future years for current retirees. This lack of prefunding has caused the city's OPEB liabilities to increase by 36 percent from fiscal years 2017–18 through 2019–20.

Lindsay's OPEB benefits are limited to a health plan that covers future benefits for 33 current city employees and current benefits for five retirees as of fiscal year 2019–20. The city contributes all of the funding to the plan. The retired city employees did not contribute to the plan, nor do current city employees contribute. As Table 6 shows, between fiscal years 2017–18 and 2019–20, Lindsay's required annual contribution—the minimum amount it

must pay—grew by more than \$10,000 and its liabilities grew by more than \$500,000. In fiscal year 2019–20, the city’s total OPEB liabilities were nearly \$2 million and it paid only about \$41,000, just enough to cover the actual health care benefits for the city’s retirees. The city did not prefund future benefits at all.

Table 6
Lindsay’s OPEB Annual Contributions and Unfunded Liability Have Increased Over the Last Three Fiscal Years

FISCAL YEAR	OPEB CONTRIBUTION	OPEB LIABILITY
2017–18	\$31,000	\$1,441,000
2018–19	38,000	1,608,000
2019–20	41,000	1,958,000

Source: Lindsay’s audited financial statements.

Lindsay has not prefunded its OPEB liabilities because of its poor fiscal condition, and it has no formal plans to do so. Specifically, as we discuss previously, the city had a deficit in its general fund until fiscal year 2019–20. The city manager stated that prefunding OPEB is a secondary priority to addressing other financial issues, such as the deficits in its enterprise funds. However, the manager did state that the city might begin prefunding OPEB liabilities in future fiscal years if it has extra revenue in its general fund. If the city does not begin prefunding its OPEB liabilities or have employees begin to contribute to its funding, it will quite likely have to make higher contributions from its general fund in future years, displacing other spending priorities such as public safety.

Although the city does require its employees to contribute to their pension benefits, Lindsay also has some future pension costs that are high risk. We identify four different indicators of pension risk in our local government high-risk dashboard, as

described in the text box. Three of Lindsay’s pension risk indicators—pension obligations, pension funding, and pension costs—are at moderate risk, as Table 1 shows, but the city’s future pension costs are high risk. We classify cities as having high-risk pension costs when their projected future costs exceed a threshold of 10 percent of their current revenues. We calculated the future pension costs for Lindsay using unaudited information provided by the California Public Employees’ Retirement System (CalPERS) and compared those numbers to the city’s audited financial statements. By using fiscal year 2026–27 pension contribution estimates from CalPERS to analyze future pension costs, we project that Lindsay’s required contributions to its pension plan will reach the 10 percent threshold that year.⁴ This means that five years from now, Lindsay’s pension costs could begin to place a financial burden on the city if the city does not take substantial action.

State Auditor’s Local Government High-Risk Dashboard Pension Indicators

Obligations: The amount a city owes to employees for their retirement benefits. A large unfunded obligation means higher pension contributions over time, straining the ability to provide other services.

Funding: The assets a city has set aside to pay for employee pension benefits. Insufficient pension assets also require higher contributions in the future.

Current Costs: The current financial burden of pension costs. High pension costs can cause cities to curtail critical services.

Future Costs: The future financial burden of pension costs, which pose the same risk of curtailing critical services.

Source: California State Auditor’s Local Government High-Risk Dashboard.

⁴ Our methodology for this calculation is explained in greater detail at the following link: https://www.auditor.ca.gov/local_high_risk/process_methodology

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The city must ensure that it is able to pay for its pension plan in future years. CalPERS annually determines Lindsay's required contribution, which covers the cost of pension benefits earned by its current employees that year and an additional amount for beginning to address unfunded liabilities. Lindsay makes the required payment each year, but it had unfunded liabilities of \$9.3 million as of June 2020. If the city paid more than the required contribution, it would reduce its unfunded liabilities and therefore its future annual contributions. This action could help the city to avoid the financial stress of reaching the 10 percent threshold in its pension contributions and could reduce the burden on the city to pay for those pension costs instead of other priorities.

Lindsay Has Not Adequately Planned for Its Public Safety Training and Equipment Needs

Lindsay does not appear to be committed to its current integrated public safety approach and must evaluate whether its combined police and fire department is still an appropriate model for providing services to its community. According to a local newspaper, since the late 1970s and in response to its financial difficulties at the time, Lindsay has employed a public safety model that integrates police and firefighting services into a single public safety department. A 2016 report by Michigan State University noted that Lindsay is one of approximately 130 cities nationwide and only a handful in California that have such combined departments. Lindsay's public safety director explained that the city generally hires police officers who have completed training that has been approved by the Commission on Peace Officer Standards and Training and then provides them with training in firefighting.⁵ However, Lindsay

has not ensured that either of the two public safety officers it hired in the past three years, out of 13 total public safety officers, have received training from a fire academy. As a result, when these officers respond to a fire emergency, a public safety lieutenant explained, the city typically limits their role to support functions rather than firefighting. To the extent that the city needs additional resources to adequately respond to fires or emergencies, such as in case of a structural fire or if an additional paramedic is required, it relies on the county to assist through a mutual aid agreement, one that does not require reimbursement by the city.

“Lindsay has not ensured that two recently hired public safety officers have received training from a fire academy.”

Lindsay's director of public safety has not prioritized training the newly hired police officers in firefighting because that would require them to stop their police work and attend a fire academy. According to the director, he wants to move away from the integrated public safety model toward a separate police department and a semi-volunteer fire department. He believes the current integrated model is not sustainable because the two disciplines of police and fire have different mindsets and it is difficult for public safety officers to maintain their continuing training in both professions. According to the director, the current city council is in favor of this change. However, the city manager has yet to formally propose to the city council that it separate the police and fire services into two departments. Until the city council approves such an

⁵ State law established the Commission on Peace Officer Standards and Training to set minimum selection and training standards for California law enforcement officers.

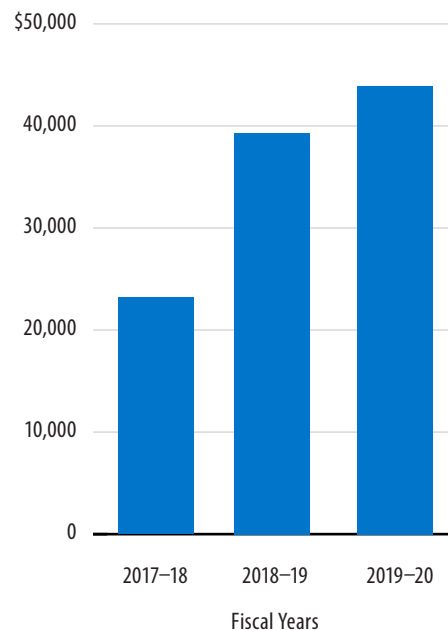
organizational change, the Public Safety Department must continue to ensure that all of its public safety officers are duly trained to respond to both police and fire emergencies. By not ensuring such training, Lindsay risks the safety of its residents and must rely more heavily on its mutual aid agreement with the county for fire response services.

Although we did not identify any problems with the Public Safety Department’s response times, the age of both its police and fire vehicles could affect the safety of Lindsay’s residents should those vehicles break down while responding to an emergency. The National Fire Protection Association recommends that fire departments only use properly maintained fire trucks older than 15 years as backup equipment for newer fire trucks and retire fire trucks that are older than 25 years. However, Lindsay uses a 21-year-old fire truck as a primary fire response vehicle. Lindsay’s police vehicles are also old, averaging 13 years—significantly older than those of other cities that we reviewed, whose average vehicle ages ranged from 4.5 to 8 years old.⁶ We found that the city has recently taken steps to address the age of its public safety vehicles. In 2021 the city published a capital improvement plan that included replacement of five of its 16 police vehicles over the next three fiscal years at a cost of about \$1 million. However, we expected Lindsay to identify a schedule that details when it must retire or replace all of its public safety vehicles as well as the expected costs to replace those vehicles.

Lindsay also faces increasing maintenance costs for its public safety vehicles. As Figure 6 shows, the city’s cost to maintain its public safety vehicles nearly doubled in two years, from \$23,000 in fiscal year 2017–18 to \$44,000 in fiscal year 2019–20. According to a public safety lieutenant, it intends to absorb these maintenance costs in its existing budget.

As a result, the department will continue to face escalating maintenance costs, which will hinder the city’s overall efforts to improve its financial position.

Figure 6
Lindsay’s Police Vehicle Maintenance Costs Are Rising



Source: Lindsay Public Safety Department police vehicle maintenance records.

Recommendations to Address This Risk

- *Lindsay should adopt a policy for long-range financial planning by February 2022 that, at a minimum, identifies the forecast period for the plan, the funds it will include, efforts the city will make to increase revenues and decrease expenditures, and the frequency with which the finance director and the city manager will review the plan and propose any updates to the city council.*

⁶ We compared Lindsay with two of its geographic and economically similar neighboring cities, Exeter and Farmersville, and one city with a combined public safety department, Sunnyvale.

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- *City management should develop, and the city council should formally adopt, a long-term financial plan by August 2022 that aligns with best practices published by the GFOA.*
- *Lindsay should include in that financial plan a discussion of how it will reduce its pension and OPEB liabilities. As part of that plan, the city should consider requiring current employees to begin contributing to the future cost of their retirement health care benefits.*
- *To ensure that Lindsay's public safety model still meets the city's needs, Lindsay should do the following:*
 - » *Evaluate the effectiveness of using a combined police and fire department by August 2022 and make any necessary changes.*
 - » *Ensure that all public safety officers receive any necessary training within six months of employment beginning August 2022, including any public safety officers who are expected to respond to fires or emergencies.*
- *To ensure that its fire vehicles meet industry standards and its police vehicles are replaced in a timely manner, by November 2021 Lindsay should develop a sufficiently detailed public safety capital improvement plan that provides for the replacement of those vehicles.*

We conducted this audit under the authority vested in the California State Auditor by Government Code section 8543 et seq. and according to generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives specified in the Scope and Methodology section of the report. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Respectfully submitted,



ELAINE M. HOWLE, CPA
California State Auditor

August 26, 2021

Appendix A

Scope and Methodology

In February 2020, the Joint Legislative Audit Committee (Audit Committee) approved a proposal by the State Auditor to perform an audit of Lindsay under the local high-risk program. We conducted an initial assessment of Lindsay in December 2019 in which we reviewed the city's financial and operating conditions to determine whether it demonstrated characteristics of high risk pertaining to the following six risk factors specified in state regulations:

- The local government agency's financial condition has the potential to impair its ability to efficiently deliver services or to meet its financial or legal obligations.
- The local government agency's ability to maintain or restore its financial stability is impaired.
- The local government agency's financial reporting does not follow generally accepted government accounting principles.
- Prior audits reported findings related to financial or performance issues, and the local government agency has not taken adequate corrective action.
- The local government agency uses an ineffective system to monitor and track state and local funds it receives and spends.
- An aspect of the local government agency's operation or management is ineffective or inefficient; presents the risk for waste, fraud, or abuse; or does not provide the intended level of public service.

Based on our initial assessment, we identified concerns about Lindsay's financial condition and financial stability as well as aspects of its operations that were potentially ineffective or inefficient. The following table lists the objectives that the Audit Committee approved and the methods we used to address them.

LOCAL HIGH RISK**Audit Objectives and the Methods Used to Address Them**

AUDIT OBJECTIVE	METHOD
1 Review and evaluate the laws, ordinances, rules, and regulations significant to the audit objectives.	Reviewed relevant state laws and regulations, municipal codes, and other background materials applicable to the city.
2 Evaluate Lindsay's current financial condition and ability to meet its short-term and long-term financial obligations while continuing to provide services to its residents.	<ul style="list-style-type: none"> • Evaluated the city's financial statements to determine its financial condition, including its general fund balances, revenues and expenditures, and other major fund balances. • Assessed the city's financial condition and its ability to meet its obligations by reviewing audited financial statements. • Reviewed outstanding pension and OPEB liabilities and annual contributions.
3 Identify the causes of Lindsay's financial challenges, and determine whether the city has developed an adequate plan for addressing those challenges, including the following: <ol style="list-style-type: none"> a. Assess the appropriateness of any interfund loans, transfers, and advances over the last three fiscal years; determine whether Lindsay complied with applicable laws and followed best practices in making such transactions; and evaluate the city's ability to repay its interfund loans, transfers, and advances in a timely manner. b. Assess the city's efforts to improve its financial condition by increasing revenues and reducing expenses. 	<ul style="list-style-type: none"> • Identified and documented the major events and actions that caused Lindsay's financial challenges, including loans, transfers, and advances over the last three fiscal years, and the city's efforts to address those challenges. • Reviewed the city's forgiveness of loans from its utility funds to its general fund to assess whether it violated Proposition 218 and the city's response to address the violation. • Interviewed city council members and the former finance director to assess the city's forgiveness of loans from its utility funds to its general fund. • Reviewed the city's streets program to determine whether the city's approach to funding the program violated Proposition 218. • Evaluated the sales tax proposal approved by city voters and compared the city's revenue projections to actual amounts collected. • Consulted with the city manager to identify the city's attempts to pursue and promote economic development opportunities. In particular, we evaluated the city's efforts to increase revenue by allowing and licensing cannabis businesses, to resolve outstanding financial liabilities to state agencies, and to reduce expenditures.
4 Determine whether Lindsay's budgeting processes comply with best practices. In addition, evaluate the city's procedures and underlying assumptions for projecting future revenues and expenditures, and determine whether they result in balanced budgets and accurate financial forecasts.	<ul style="list-style-type: none"> • Reviewed GFOA budgeting best practices and identified key practices that the city should follow. • Reviewed whether the city's budget practices are timely and in line with the key GFOA budgeting best practices we identified. • Examined Lindsay's budgets for the past three fiscal years and assessed the reasonableness and accuracy of the projections it used by comparing budgeted and actual revenues and expenditures.
5 Assess Lindsay's process for setting, increasing, or decreasing fees or rates to ensure that it complies with applicable laws, rules, ordinances, regulations, and best practices. For a selection of these fees and rates, determine if they cover the city's costs of providing services.	<ul style="list-style-type: none"> • Interviewed staff to obtain an understanding of the city's policies, processes, and practices for setting fees and rates. • Identified all the fees and rates Lindsay charges. Selected seven fees and rates and reviewed the city's cost of providing each service. Determined when the city last updated each fee or rate and assessed whether the fee or rate covers the city's costs of providing the relevant services. • For three of the fees and rates, we tested whether their last increases complied with applicable city laws and policies.
6 Determine whether the city council provides adequate oversight of city operations and the governance necessary to ensure that Lindsay meets its fiduciary duties to its residents.	<ul style="list-style-type: none"> • Identified and documented best practices related to training new city council members. • Interviewed staff and reviewed documentation related to training that the city has provided to council members since 2018 and compared this training to the best practices we identified. We did not identify any problems with the city's process for training council members. • Documented city council oversight and decision making related to the city's financial affairs from 2018 through 2020 and determined that it has increased that oversight.

AUDIT OBJECTIVE	METHOD
<p>7 Evaluate Lindsay's efforts to address the deficiencies noted by its external auditor during the most recent audit of the city's financial statements.</p>	<ul style="list-style-type: none"> Identified major findings from the external auditor's last four annual audit reports. Assessed whether Lindsay's efforts for tracking and responding to the findings have been sufficient. We found that Lindsay has sufficiently tracked and responded to audit findings, other than those related to its violation of Proposition 218.
<p>8 To the extent possible, determine the impact of Lindsay's integrated public safety model and resources on its ability to protect its citizens.</p>	<ul style="list-style-type: none"> Reviewed information about integrated public safety models and their use in California. Identified recruitment and training standards and best practices for police officers and firefighters. Identified how Lindsay recruits and trains its public safety officers and assessed the adequacy of these efforts. We found that its recruitment process was adequate. Compared Lindsay's public safety response times, staffing levels, and capital assets to those of three comparable cities and industry averages to determine whether they are sufficient to protect the public's safety. Lindsay has slightly more firefighters and slightly fewer police personnel than the average for other small California cities. We attempted to compare Lindsay's combined public safety model with those of other cities in California; however, their models or demographics were not similar enough to Lindsay's to make a valid comparison.
<p>9 Review and assess any other issues that are significant to the audit.</p>	<ul style="list-style-type: none"> Reviewed best practices for recruitment of key city leaders and compared them to Lindsay's practices and, in general, found that Lindsay employed those best practices. Assessed strategic and succession planning efforts. Although the city does not have a formalized strategic plan, we found that the city does undertake some strategic planning as part of its budget development process. However, we identified concerns with the city's financial planning efforts, which we discuss in the report. We found that although the city lacks a succession plan, it has adequately filled its key leadership positions, including its city manager and finance director positions.

Source: Audit workpapers.

Assessment of Data Reliability

The U.S. Government Accountability Office, whose standards we are statutorily required to follow, requires us to assess the sufficiency and appropriateness of computer-processed information that we use to materially support our findings, conclusions, or recommendations. In performing this audit, we relied on electronic data obtained from the Tulare County ADSi CADForce database (9-1-1 database). We performed dataset verification procedures and testing of key data elements and found that about 15 percent of the data were not logical, indicating data entry errors and calls in which dispatchers canceled officers' responses. We otherwise did not identify any issues with the data. We did not perform accuracy and completeness testing of these data because the system is

entirely electronic and there are no paper source documents against which to check the data. Consequently, we found the 9-1-1 database data to be of undetermined reliability for the purposes of calculating the exact response times for Lindsay's Public Safety Department. Although this determination may affect the precision of the numbers we present, there is sufficient evidence in total to support our findings, conclusions, and recommendations.

LOCAL HIGH RISK

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Appendix B

The State Auditor’s Local High-Risk Program

Government Code section 8546.10 authorizes the State Auditor to establish a local high-risk program to identify local government agencies that are at high risk for potential waste, fraud, abuse, or mismanagement or that have major challenges associated with their economy, efficiency, or effectiveness. Regulations that define high risk and describe the workings of the local high-risk program became effective on July 1, 2015. Both the statute and regulations require that the State Auditor seek approval from the Audit Committee to conduct audits of high-risk local entities.

To identify cities that may be at high risk for fiscal distress, we analyzed audited financial statements and unaudited pension-related information for more than 470 California cities. This review included using various financial indicators to assess the fiscal health of cities and rate them based on their risk of experiencing fiscal distress. These indicators enabled us to assess each city’s ability to pay its bills in both the short and long term. Specifically, the indicators measure each city’s financial reserves, debt burden, cash position or liquidity, revenue trends, and ability to pay for employee retirement benefits. In most instances, the financial indicators rely on information for fiscal years 2016–17 through 2018–19.⁷

Based on our analysis from 2019, we identified several cities, including Lindsay, that met the criteria for being at high risk. After establishing our list of cities facing fiscal

challenges, we conducted initial assessments to further evaluate the risks those cities faced. We performed independent, data-driven analyses to determine which cities to send audit teams into to get local officials’ perspective regarding our areas of concern. Our initial assessment concluded that Lindsay’s circumstances warranted an audit. In February 2020, we sought and obtained approval from the Audit Committee to conduct an audit of Lindsay.

If a local agency is designated as high risk as a result of an audit, it must submit a corrective action plan. If it is unable to provide its corrective action plan in time for inclusion in the audit report, it must provide the plan no later than 60 days after the report’s publication. It must then provide written updates every six months after the audit report is issued regarding its progress in implementing the corrective action plan. This corrective action plan must outline the specific actions the local agency will perform to address the conditions causing us to designate it as high risk and the proposed timing for undertaking those actions. We will remove the high-risk designation when we conclude that the agency has taken satisfactory corrective action.

⁷ As we describe in Appendix A, we conducted our initial assessment of Lindsay in December 2019. In November 2020, we updated our financial indicators to include information through fiscal year 2018–19.

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City of Lindsay

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

August 10, 2021

Elaine M. Howle, CPA*
California State Auditor
621 Capitol Mall, Suite 1200
Sacramento, CA 95814

Dear Auditor Howle:

The City of Lindsay believes the facts contained in State Auditor's Report 2020-804 demonstrate the City's positive steps in recent years toward reaching financial stability, as evidenced by several instances where the areas of improvement recommended by the State Auditor are in line with the ongoing efforts of City staff. However, there remain competing pressures between short and long-term fiscal strategies for the future. Lindsay faces major challenges associated with our economy. Agriculture is still the primary industry of our region and the Lindsay community is largely one of farm laborers. The median annual household income is well below the State average at \$31,000 and 36% of our residents live in poverty. In June 2021, the unemployment rate was 18.2%. Naturally, the steps the City takes to rebuild its financial health will have to take this context into consideration. And while the City intends to commit itself in good faith to fulfilling the State Auditor's recommendations, it does foresee a potential for delays due to a lack of resources, lack of revenues, limited staff, and the unpredictability of COVID-19 impacts.

I. Loan Forgiveness

In 2017, the City was operating in a state of insolvency. Consequently, there were a number of short-term solutions taken to stop the bleeding; chief among these decisions was the City's forgiveness of major loans from its utility funds to its general fund. It bears mentioning that key City staff related to the improper forgiveness of these loans, such as the City Manager and Finance Director, are no longer employed by the City of Lindsay.

LINDSAY...
THE FRIENDLY CITY



HEART OF CENTRAL
CALIFORNIA ORANGE AREA

* California State Auditor's comments begin on page 43.

LOCAL HIGH RISK

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In managing the fall-out, current staff has prioritized the strengthening of policies and procedures to ensure proper safekeeping measures are in place for all sources of funding. For example, in November 2020, staff recommended updates to the City's Procurement Policy which City Council reviewed and adopted. As of the date of this report, staff is working on updating two more policies, for grant management and financial reserves, respectively, to strengthen safekeeping procedures.

The City intends to review and analyze conditions and mechanisms that affect the current and future financial performance of the City. This study will be a direct follow-up to the State Auditor's report and will review financial strengths, weaknesses, opportunities, and threats analysis (SWOT), as well as a repayment plan. Any reasonable repayment plan would need to delicately balance the obligations of the schedule and general fund solvency. Another important consideration is the concern that a repayment schedule would push the City into a structural operating deficit that continues long enough to burn through reserves and is not resolved by revenue increases or spending cuts quickly enough for the City to avoid running out of cash as it attempts to meet necessary and fixed expenses such as debt service and payroll. Such was the case with Vallejo, Stockton, Detroit, and San Bernardino. The City could be pushed over the edge by a relatively small one-time expense or drop in revenues, as it may have little or no cushion available to absorb even a modest setback.

Thus, the City finds itself essentially stuck between a rock and a hard place. On the one hand, the City can leave the obligation on the books, resulting in a long-term debt and the prospect of the City finding itself in a position of insolvency. As the state acknowledges, there is no legal issue with interfund loans if the loans are structured as long-term loans. Therefore, the City may re-establish its long-term payment plan of the loans back to the appropriate enterprise fund. Doing so would essentially eliminate any legal liability. On the other hand, given the decades long repayment schedule, it remains unlikely the funds would actually be repaid without additional cuts in service or personnel.



Finally, despite the legal conclusions stated in the audit, in order to have liability, a legal challenge must be successful. Even if a Proposition 218 challenge is initiated, the statute of limitations for such a challenge to assessments covered by Proposition 218 has been reached. The State's position is that the transfers indicate that funds were converted from enterprise assessments to general fund expenditures. Such a transfer therefore allegedly indicates that residents were overcharged for services. Code of Civil Procedure § 860 is regarded as the exclusive procedure for challenging the validity of an assessment.¹ A 60-day statute of limitations would apply per Code Civ. Proc. § 863 unless the assessment statute being utilized specifies another time period. Therefore, the time for any legal exposure is long past.

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II. Streets Improvement Program (SIP)

The City Engineer selected to prepare the 2004 utility service impact study on City streets, James Winton, was a reputable Registered Civil Engineer with more than 40 years of experience in local government. The final 2004 Engineer's Report was based on a 10-year comprehensive plan to maintain all City Streets and outlined proposed increases of 5.9% per year per utility fund for four years, for a total necessary increase of 23.6% street improvement contribution per fund at the end of 2009 and carried until 2019. The legal standard for transfers such as the SIP gives the City the benefit of the doubt based on the engineer's report. The State's conclusion as to whether the SIP is legal cannot be based solely on whether the Finance Director today, can articulate whether the program is appropriate. Apportioning a special benefit has never required mathematical precision; so long as the apportionment is reasonable and is justified by the engineer's report, it should be upheld. If the assessment is no longer valid, it will be up to the current staff to provide an additional engineer's report and make any adjustments. Re-examining fees does not result in the State's conclusion that the SIP transfers were unlawful from the beginning, or at any time since. To this point, the City acknowledges that a new study should be

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¹ See *Not About Water Com. v. Board of Supervisors* (2002) 95 Cal.App.4th 982, 986 and 992-93.



performed to evaluate the impact of utilities on City streets to ensure the accuracy of this rate from 2019 through to the current date.

- ③ The current state of the law is that under article XIIIID of the California Constitution, the City is entitled to rely upon the record created during the required hearing process. Challengers are required to present evidence contrary to the engineer's report during the hearing in order to permit the agency to make proper decisions based upon all of the evidence. The City can meet its burden under article XIIIID, section 4(f) by introducing a properly prepared engineer's report and the record of the assessment proceedings. It is precisely for reasons such as the current situation that the law is created in this fashion; neither the state auditors, nor the current staff can provide the history, conversations, or rationale to know whether the SIP, as of today, continues to be valid. But the law recognizes this as it would be nearly impossible to make such a determination for a decision that was made over a decade ago. The law only requires the City meet its burden under article XIIIID, section 4(f) by introducing a properly prepared engineer's report and the record of the assessment proceedings, which it did at the time. Therefore, the City met its obligations under the law.

III. Inappropriate Legal Conclusions

- ④ The Audit Report makes several legal conclusions that the forgiveness of transfers was illegal. The Audit Report is not a court of law and does not have authority to determine whether an action by the City was illegal. In fact, the forgiveness of a loan from an enterprise fund is not on its face illegal. The City of Riverside is an example, and in *Webb v. City of Riverside*² the Court held that a Proposition 218 violation does not occur if the transfers do not result in the taxpayers paying more than the reasonable cost of service, or if the transfers come from non-rate revenue. A court of law has not determined that the applicable transfers resulted in taxpayers being charged more than the reasonable cost of

² *Webb v. City of Riverside* (2018) 23 Cal.App.5th 244



service, or that the transfers came from rate revenue, therefore, the Audit Report, cannot, and should not, come to the legal conclusion that the transfers were illegal.

The Audit Report has the same problem in regard to its legal conclusions about the City's Street Improvement Program (SIP). A court of law has not determined that the City's charge for the SIP exceeds the reasonable cost of service, resulting in a Proposition 218 violation. Therefore, the Audit Report should not state as an unqualified fact that the SIP is illegal.

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IV. Service Fees and Utility Rates

For the past decade, there has been a significant hesitancy to enact changes to the City's service charges despite staff recommendations and internal work product. For example, in 2015, a water rate and feasibility study was completed but the final item was not presented to City Council. Only in very recent years has the public and City Council been assured that the charges for services are fair and accurate and that there are proper safekeeping measures in place for funds received. From 2019-2021, staff has reviewed refuse rates, public safety fees, planning, building and development fees, and wellness center fees and City Council has approved recommended changes. Staff is actively engaged in fulfilling the State Auditor's recommendation to adhere to the Lindsay Municipal Code and include overhead costs in future cost analyses.

V. Enterprise Funds

The State Auditor is correct in its assertion that the City's water enterprise fund has operated at a growing loss in recent years and that current water rates are limiting the City's ability to effectively operate Lindsay's water system. It is with these facts in mind that staff recommended changes to the City's existing billing and collection procedures for sewer, refuse, and utility delinquencies. In July 2021, the Lindsay City Council approved the levy and collection of charges related to these services on the Tulare County property tax rolls for the fiscal year 2021-2022. This action directly addresses the financial instability of

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our utility enterprise funds and demonstrates the City's intention to bolster its utility enterprise funds, notwithstanding the final recommendations of the State Auditor. Similarly, the potential for an increase in fees for recreation activities hosted at the Wellness Center has been discussed and up until now deferred by the City until this option can be thoroughly analyzed to avoid pricing out the majority of Lindsay residents. The Wellness Center was built specifically with the wellness of our community in mind. Maintaining our Wellness Center accessible has likely led to many long-term benefits for Lindsay, including building social cohesion and deterring harmful or unlawful behavior. Such benefits are much more difficult to quantify but are not considered to be any less important than the bottom line.

VI. Long-Term Financial Planning

⑥

The City has taken a number of positive steps towards more robust long-term financial planning. In November 2020, the City reviewed and updated its Investment Policy, and in July 2021 the City procured memberships in the Government Finance Officers Association (GFOA) to aid in the creation of a long-term financial plan. Also in July 2021, the Finance Director presented the City Manager with the first draft of the City of Lindsay's Reserve Policy. The proposed policy is a significant improvement from the current policy as it provides exact details for allocating annual surpluses and makes plans for fund deficits. Elements of the draft policy include provisions for general fund operating reserves, local emergency reserves, unfunded liability reserves, and capital reserves. A final copy as recommended by staff will be presented to City Council in the coming months for review and adoption.

VII. Employee Retirement Costs

Employees of the City of Lindsay are the lowest paid municipal employees in Tulare County, which contributes to keeping the City's retirement costs down. In 2020, the City examined various CalPERS options for pension obligation planning but ultimately determined the program offerings to be out of line with the City's structural financial



improvement. Staff continues to actively explore other programs and services to address the growing unfunded liability of retirement benefits. In 2014, the City of Lindsay increased the minimum performance period for eligibility of other post-retirement benefits from 15 years of continuous service to 20 years to continue medical health benefits until retired employees reach eligibility for Medicare. This means that the City contributes a maximum of 75% of a retired employees health retirement plan and the retiree is responsible for the remaining 25% of costs until that retiree is eligible for Medicare. The City plans to review and execute new memorandums of understanding with employees in the 2022 calendar year.

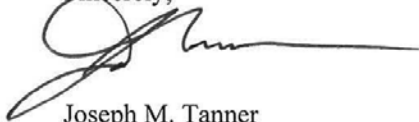
VIII. Public Safety Department

The City is appreciative of the critical fire needs currently faced by the Public Safety Department but finds its options limited by insufficient staffing and capital resources. Lindsay is not the first or only rural community to face such a dilemma. The start-up costs for a separate, stand-alone Fire Department to cover hiring, equipment, housing, and amenities are estimated to cost upwards of \$1 million, with an annual operating budget of \$3-4 million thereafter, making this approach frankly untenable for the City of Lindsay. The City is actively hiring for a Fire Lieutenant position with the goal of providing in-house training to Public Safety personnel and to better meet the fire training needs for officers involved in fire and emergency response.

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The State Auditor's report provides a useful calibration point as the City looks to the future. The City intends to further address the concerns of the State Auditor's Office in its forthcoming corrective action plan.

Sincerely,



Joseph M. Tanner
City Manager



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Comments

CALIFORNIA STATE AUDITOR'S COMMENTS ON THE RESPONSE FROM THE CITY OF LINDSAY

To provide clarity and perspective, we are commenting on Lindsay's response to our audit. The numbers below correspond to the numbers we have placed in the margin of Lindsay's response.

The city mischaracterizes our finding. As we explain on page 9, Proposition 218 prohibits a city from using revenues derived from property-related fees, such as fees for water service, for general government operations. We did not consider, as the city's response suggests, whether the city's residents were overcharged for services. Therefore, we stand by our finding that Lindsay's transfers and subsequent loan forgiveness violated this provision of Proposition 218. Further, Lindsay's response incorrectly cites state law relating to the statute of limitations that governs legal actions regarding the validity of property assessments when, in fact, the city derived these revenues from fees—paid by ratepayers such as for water and sewer utility services. We found no specific statute of limitations; therefore, the default three-year statute of limitations would apply to an action seeking judgment on the improper use of revenue derived from property-related fees.

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Lindsay misrepresents the city's obligations and the reasonableness of its engineer's report related to the streets program. As we explain on pages 11 and 12, although Proposition 218 prohibits a city from using property-related services for general government services, a city may charge its utility funds for the costs it incurs against the general fund, such as for the costs of street repair and maintenance. However, a city must be able to demonstrate that those transfers reasonably represented those costs. As we describe on page 12, the 2004 engineer's report that supports those transfers—which averaged nearly \$900,000 annually—did not demonstrate that the amount generated by the rate increases represented the actual costs of the damage the city's utilities caused. Instead, we noted on the same page, that the city should analyze and report the damage that each type of utility has caused to its streets to identify what the appropriate amount would be to charge each fund going forward. Finally, Proposition 218 provides that in any challenge to the validity of a property-related fee or charge, the burden is on the local agency—in this case, the city of Lindsay—to demonstrate compliance. Thus, we stand by our finding.

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- ③ Again, Lindsay mischaracterizes our finding and refers to provisions of Proposition 218 relating to property assessments, which do not apply here. Our report focused on property-related fees, not assessments, which are distinct and governed by different provisions of Proposition 218. As we state on pages 11 and 12, those provisions of Proposition 218 allow the city to charge its utilities for the cost of street repairs and maintenance that result from damage by those utilities so long as the city demonstrates that a charge for repairs or replacement reasonably represents those costs. Thus, we stand by our recommendation on page 15 that Lindsay should perform a study to determine the appropriate level of funding from its utility funds for the streets program and update that study every three to five years.
- ④ We agree with Lindsay that this report “is not a court of law” and that, as of yet, a court of law has not imposed legal liability on the city for violating state law. However, audit standards require us to review the legal criteria governing the city’s actions, to gather and consider sufficient and appropriate evidence, to identify any bad effects, and to report our findings with recommendations where appropriate. Here we have done so, including reporting on the risk that its noncompliance poses to the city if challenged in court. We offer our conclusions solely for helping the city avoid an adverse judicial ruling and related financial award. Similarly, we note on page 11 that the city’s external auditor also reached the conclusion that the city’s actions violated Proposition 218. Thus, we stand by our findings and recommendations.
- ⑤ During the course of our audit, the city did not share with us information regarding its approval of the levy and collection of charges related to its utilities. We look forward to reviewing this information when it provides an update on its progress toward implementing our recommendation on page 22 that it develop and implement a plan to build and maintain adequate balances in its enterprise funds.
- ⑥ The city misrepresents its efforts to improve its financial policies as steps towards long-term financial planning. Although a long-term financial plan could include a component for updating financial policies, the city’s efforts to update its financial policies are not part of a larger, long-term financial plan. Instead, the city has proceeded through its financial challenges in a piecemeal approach, such as by updating these policies, without having a larger framework in place to comprehensively address these challenges. Thus, we stand by our recommendation.

The city's response incorrectly implies that we recommended it create a separate, stand-alone fire department. We explain on page 26 the director of public safety's perspective that the current integrated model is not sustainable, and that the city manager has yet to formally propose to the city council that it separate the police and fire services into two departments. On the same page, we note that until the city council approves such an organizational change, the Public Safety Department must continue to ensure that all of its public safety officers are duly trained to respond to both police and fire emergencies. Thus, we stand by our recommendation on page 28 that the city evaluate the effectiveness of using a combined police and fire department and ensure all of its public safety officers have training to respond to fires or emergencies.

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City of Lindsay

Corrective Action Plan

Approved on November 9, 2021 by Resolution 21-48

State Auditor Recommendation 1.1: To address the \$6.3 million it improperly transferred to its general fund, Lindsay should, by February 2022, re-establish the loans to its restricted funds, and develop and implement a plan to fully repay those funds.

Response: The City partially agrees with this recommendation.

Corrective Action: The City will address the \$6.3 million in funds referenced and present formal repayment schedules to the Lindsay City Council by February 2022.

The City wishes to note that there exists no legal finding that 1) the applicable transfers resulted in taxpayers being charged more than the reasonable cost of service, or 2) the transfers came from rate revenue.

Estimated Completion: February 2022.

Responsible Staff: City Management, Finance Department.

Status: *Ongoing.*

State Auditor Recommendation 1.2: To make prudent investments from federal funding to address its highest needs, Lindsay should develop a plan by November 2021 for how it will effectively use all American Rescue Plan funds.

Response: The City partially agrees with this recommendation. The U.S. Department of the Treasury, which oversees and monitors the American Rescue Plan Act (ARPA) has set April 30, 2022 as the federal deadline for non-entitlement units of local government to submit their Project Expenditure Report. The City requests that the State Auditor adhere to the federal deadline.

Corrective Action: On or before April 30, 2022, the City will present an ARPA Project Expenditure Report for approval to the Lindsay City Council.

Estimated Completion: April 2022.

Responsible Staff: City Management, Finance Department.

Status: *Ongoing.*

State Auditor Recommendation 1.3: To ensure that its transfers of utility funds to the streets program comply with state law, Lindsay should perform a study to determine the appropriate level of funding from its utility funds for that program by August 2022 and update that study every three to five years.

Response: The City agrees with this recommendation.

Corrective Action: On November 9, 2021, the Lindsay City Council authorized staff to award a contract for the City of Lindsay Street Fund Impact Study to Provost and Pritchard Consulting Group.

Provost & Pritchard’s proposal dated October 15, 2021 (Exhibit A) will be incorporated into the existing task order “Financial Analysis of Water and Sewer Rates and Reports” (Exhibit B) approved by the Lindsay City Council on October 13, 2020. Provost & Pritchard’s proposal will provide an updated cost analysis for providing utility services and determine the cost these services bear on city streets. Action for rate changes remains with the Lindsay City Council.

Estimated Completion: August 2022.

Responsible Staff: City Management, Finance Department, City Services.

Status: *Ongoing.*

State Auditor Recommendation 2.1: To ensure that it maintains adequate balances in its enterprise funds for significant purchases or capital expenditures, Lindsay should develop and implement a plan by June 2022 to build and maintain these balances.

Response: The City agrees with this recommendation.

Corrective Action: On October 13, 2020, the Lindsay City Council approved the task order “Financial Analysis of Water and Sewer Rates and Reports” (Exhibit B) to perform a financial analysis of the water and sewer utility rates. The study underway is being conducted in a manner adhering to generally accepted rate design criteria including all requirements of Proposition 218 in the case where there is subsequent action taken to pursue public utility rate changes as a result of the study.

On July 27, 2021, in accordance with Proposition 218, the Lindsay City Council approved a rate increase for solid waste refuse services (Resolution 21-38), and the levy and collection of annual sewer charges (Resolution 21-35), annual solid waste refuse charges (Resolution 21-36), and delinquent sewer, refuse, and water fees and charges for the period ending June 30, 2021 (Resolution 21-37) on property tax rolls for the fiscal year 2021-2022. These changes were in large part motivated by the City’s need to address the financial instability of its enterprise funds.

On October 12, 2021, the Lindsay City Council approved the City of Lindsay Reserve Policy (Exhibit C). The reserve policy formalizes on-going practices of staff to build reserves and directly addresses the reserve levels of the General Fund and Water and Sewer Enterprise Funds by establishing reserve categories and hierarchical reserve levels for each. This policy will be reviewed every three years at a minimum by the City Manager and Finance Director, or sooner, if warranted by internal or external changes.

Estimated Completion: June 2022.

Responsible Staff: City Management, Finance Department, City Services.

Status: *Ongoing.*

State Auditor Recommendation 2.2: To ensure that the rates and fees it charges are appropriate to cover the cost of the related services, by August 2022 Lindsay should do the following:

- Determine its cost to provide each of the services for which it charges a fee or rate and, as necessary, improve its accounting records to identify these costs. For any fees or rates that do not cover the costs of their related services, consider increasing those fees or rates, including a phased approach for large increases. For any fees or rates that are above the cost to provide the related service, consider reducing those fees or rates.
- Improve its accounting records so as to identify how much revenue it receives from each fee or rate.

Response: The City partially agrees with this recommendation.

Corrective Action: The City requests a partial extension and proposes the following timeline.

By August 2022:

- Complete a water rate study and make a recommendation to the Lindsay City Council
- Complete a sewer rate study and make a recommendation to the Lindsay City Council.
- Complete an internal review of miscellaneous departmental fees as staff resources allow.
- Issue a Request for Proposals (RFP) that would provide for a study of all outstanding fees yet to be reviewed.
- Establish new accounting lines so as to better identify how much revenue is received from each fee or rate.

By February 2023:

- Present individual recommendations to the Lindsay City Council to either increase, decrease, or maintain fees based on the RFP results.

Estimated Completion: August 2022, and ongoing.

Responsible Staff: City Management, Finance Department, City Services, Recreation Department, Public Safety Department.

Status: *Ongoing.*

State Auditor Recommendation 3.1: Lindsay should adopt a policy for long range financial planning by February 2022 that, at a minimum, identifies the forecast period for the plan, the funds it will include, efforts the city will make to increase revenues and decrease expenditures, and the frequency with which the finance director and the city manager will review the plan and propose any updates to the Lindsay City Council.

Response: The City agrees with this recommendation.

Corrective Action: A policy providing for long-term financial planning will be presented to the Lindsay City Council on or before February 2022.

Estimated Completion: February 2022.

Responsible Staff: City Management, Finance Department.

Status: *Ongoing.*

State Auditor Recommendation 3.2: City management should develop, and the city council should formally adopt, a long-term financial plan by August 2022 that aligns with best practices published by the GFOA.

Response: The City agrees with this recommendation.

Corrective Action: In July 2021, the City procured memberships in the Government Finance Officers Association (GFOA) to aid in the creation of a long-term financial plan. A long-term financial plan that aligns with GFOA best practices will be presented to the Lindsay City Council on or before August 2022.

Estimated Completion: August 2022.

Responsible Staff: City Management, Finance Department.

Status: *Ongoing.*

State Auditor Recommendation 3.3: Lindsay should include in that financial plan a discussion of how it will reduce its pension and OPEB liabilities. As part of that plan, the city should consider requiring current employees to begin contributing to the future cost of their retirement health care benefits.

Response: The City agrees with this recommendation.

Corrective Action: On October 12, 2021, the Lindsay City Council approved the City of Lindsay Reserve Policy (Exhibit C). The reserve policy provides guidelines for Unfunded Liability Reserves that include pension and OPEB liabilities.

Additionally, the City is exploring the establishment of a Section 115 Trust and plans to review and execute new memorandums of understanding with all bargaining units in the 2022 calendar year that will include discussion and negotiation of increased contributions.

Estimated Completion: August 2022.

Responsible Staff: City Management, Finance Department.

Status: *Ongoing.*

State Auditor Recommendation 3.4: To ensure that Lindsay’s public safety model still meets the city’s needs, Lindsay should do the following:

- Evaluate the effectiveness of using a combined police and fire department by August 2022 and make any necessary changes.
- Ensure that all public safety officers receive any necessary training within six months of employment beginning August 2022, including any public safety officers who are expected to respond to fires or emergencies.

Response: The City partially agrees with this recommendation.

Corrective Action: In October 2021, the City hired a full-time Fire Lieutenant responsible for providing in-house training to Public Safety personnel. The Fire Lieutenant is also tasked with conducting an analysis of a volunteer firefighter program. The City is committed to a return to separate police and fire personnel as soon as financial resources allow.

Estimated Completion: August 2022.

Responsible Staff: City Management, Finance Department, Public Safety Department.

Status: *Ongoing.*

State Auditor Recommendation 3.5: To ensure that its fire vehicles meet industry standards and its police vehicles are replaced in a timely manner, by November 2021 Lindsay should develop a sufficiently detailed public safety capital improvement plan that provides for the replacement of those vehicles.

Response: The City agrees with this recommendation.

Corrective Action: On November 9, 2021, the Lindsay City Council approved the City of Lindsay Fleet Management and Replacement Policy (Exhibit D). The primary objective of this policy is to control the overall cost of operating and maintaining the City of Lindsay's fleet of vehicles and equipment, to maintain vehicles and equipment in a manner that extends their useful life, to control the growth in size of the fleet, to standardize the composition of the fleet and to accurately budget for maintenance and replacement costs.

A complete listing of the vehicles assigned to the City Services and Public Safety Departments is maintained and updated by department heads or their designees and provided to the Finance Department and City Manager on an annual basis or as needed. The most current version of this listing is attached as Exhibit E.

Estimated Completion: November 2021.

Responsible Staff: City Management, Finance Department, Public Safety Department. City Services Department.

Status: Complete.

Table 10 – UUI Portions of Water and Sewer Impacts to Roadway Conditions

UUI Type	Road Classification	UUI Damage Type	Percent of Impact (%)
Arterial / Collector Trench Patch Damage			
Water	Arterial / Collector	Trench Patch	70
Sanitary Sewer	Arterial / Collector	Trench Patch	<u>30</u>
Total	Arterial / Collector	Trench Patch	100
Arterial / Collector Other Severe Damage			
Water	Arterial / Collector	Other Severe	19
Sanitary Sewer	Arterial / Collector	Other Severe	65
Storm Drain ¹	Arterial / Collector	Other Severe	<u>16</u>
Total	Arterial / Collector	Other Severe	100
Residential Trench Patch Damage			
Water	Residential	Trench Patch	100
Sanitary Sewer	Residential	Trench Patch	<u>0</u>
Total	Residential	Trench Patch	100
Residential Other Severe Damage			
Water	Residential	Other Severe	28
Sanitary Sewer	Residential	Other Severe	<u>72</u>
Total	Residential	Other Severe	100

¹ – Storm drain improvements are funded through the Sanitary Sewer Enterprise

Table 11, below, provides a breakdown of costs attributable to UUI by enterprise fund (water and sewer) and damage type.

Table 11 – UUI Costs by Damage Type and Enterprise Fund

Enterprise Fund	Damage Type	Amount
Water	Trench Patch	\$73,664
Water	Other Severe	\$14,767
Sanitary Sewer	Trench Patch	\$17,893
Sanitary Sewer	Other Severe	\$51,822

The following section presents a financial plan for the water enterprise where the Well 11 project must move forward and be cash and debt financed:

Projected Expenses and Potential Revenue Adjustments: Water

Operating Fund	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	FY 28-29
Beginning Reserve Balance	\$0	\$0	\$494,087	\$1,147,616	\$1,236,262	\$2,375,537	\$1,811,639
Revenues							
Rate Revenue	\$1,600,000	\$1,600,000	\$2,560,000	\$3,072,000	\$3,532,800	\$4,062,720	\$4,468,992
Rate Increase Revenue	0	960,000	512,000	460,800	529,920	406,272	0
Other Revenue	123,000	70,100	71,335	72,969	73,191	76,039	74,629
Interest on Reserves	\$0	\$0	\$1,235	\$2,869	\$3,091	\$5,939	\$4,529
Total Revenue	\$1,723,000	\$2,630,100	\$3,144,570	\$3,608,638	\$4,139,001	\$4,550,970	\$4,548,150
Expenses							
Operating Expenses	\$1,667,153	\$1,733,839	\$1,803,193	\$1,875,320	\$1,950,333	\$2,028,347	\$2,707,437
Existing Debt Service	222,574	222,574	222,574	222,574	222,574	222,574	222,574
New Debt Service	0	0	160,000	160,000	160,000	160,000	1,019,000
Rate Funded Capital	\$252,700	\$179,600	\$305,275	\$1,262,097	\$666,819	\$2,703,947	\$506,128
Total Expenses	\$2,142,427	\$2,136,013	\$2,491,042	\$3,519,991	\$2,999,726	\$5,114,868	\$4,455,139
Net Revenues	-\$419,427	\$494,087	\$653,529	\$88,647	\$1,139,275	-\$563,899	\$93,012
Ending Unrestricted Balance	\$0	\$494,087	\$1,147,616	\$1,236,262	\$2,375,537	\$1,811,639	\$1,904,650
Debt Coverage (Target 1.25)	0.25	4.03	3.51	4.53	5.72	6.59	1.48
Capital Funding							
Capital Revenues							
Use of Debt Proceeds		\$1,500,000	\$1,000,000			\$13,000,000	
Grant Revenue							
Rate Funded Capital	\$252,700	\$179,600	\$305,275	\$1,262,097	\$666,819	\$2,703,947	\$506,128
Total Capital Revenue	\$252,700	\$1,679,600	\$1,305,275	\$1,262,097	\$666,819	\$15,703,947	\$506,128
Total Capital Expenditures	\$252,700	\$1,679,600	\$1,305,275	\$1,262,097	\$666,819	\$15,703,947	\$506,128

The following section presents a financial plan for the sewer enterprise where all capital projects are cash financed:

Projected Expenses and Potential Revenue Adjustments: Sewer

Wastewater Fund	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Beginning Reserve Balance	\$992,649	\$1,098,194	\$929,108	\$959,601	\$969,562	\$842,791
Revenues						
Rate Revenue	\$1,446,600	\$1,453,833	\$1,592,601	\$1,744,615	\$1,911,139	\$2,093,557
Rate Increase Revenue	0	130,845	143,334	157,015	172,002	188,420
Other Revenue	155,000					
Interest on Reserves	\$2,482	\$2,745	\$2,323	\$2,399	\$2,424	\$2,107
Total Revenue	\$1,604,082	\$1,587,423	\$1,738,258	\$1,904,030	\$2,085,565	\$2,284,084
Expenses						
Operating Expenses	\$939,444	\$986,416	\$1,025,873	\$1,066,908	\$1,109,584	\$1,153,967
Existing Debt Service	349,093	349,093	349,093	349,093	349,093	349,093
New Debt Service	0	0	0	0	0	0
Rate Funded Capital	\$210,000	\$421,000	\$332,800	\$478,067	\$753,659	\$725,312
Total Expenses	\$1,498,537	\$1,756,509	\$1,707,766	\$1,894,068	\$2,212,336	\$2,228,372
Net Revenues	\$105,545	-\$169,086	\$30,492	\$9,961	-\$126,771	\$55,712
Ending Reserve	\$1,098,194	\$929,108	\$959,601	\$969,562	\$842,791	\$898,503
Debt Coverage (Target 1.3)	1.90	1.72	2.04	2.40	2.80	3.24
Capital Funding						
Capital Revenues						
Use of Debt Proceeds						
Rate Funded Capital	\$210,000	\$421,000	\$332,800	\$478,067	\$753,659	\$725,312
Total Capital Revenue	\$210,000	\$421,000	\$332,800	\$478,067	\$753,659	\$725,312
Total Capital Expenditure:	\$210,000	\$421,000	\$332,800	\$478,067	\$753,659	\$725,312

FINANCE & ADMINISTRATION FEES

#	Description	Current Fee/Charge	Unit	Notes
1	Application Fee	\$30.00		One Time Fee
2	CASP FEE	\$4.00		Renewal
3	Classification A	\$25.00		Gross Receipts/Quarterly
4	Classification B	\$20.00		Gross Receipts/Quarterly
5	Classification C	\$30.00		Gross Receipts/Quarterly
6	Classification D	\$30.00		Gross Receipts/Quarterly
7	Farmers Market	\$30.00		Annual
8	Vehicles with no fixed Location	\$15.00		Semi-Annual
9	Contractors	\$50.00		Semi-Annual
10	Sub-Contractors	\$30.00		Semi-Annual
11	ONE Day	\$7.00		Special Events
12	Department Inspection Fee			New Business, Applicant & Location requires Fire & Building inspection fee
13	Fire	\$100.00		
14	Building	\$100.00		
15	Credit card Convenience Fee	New		
16	General Copy Fee	\$0.10		
17	Yard Sale	\$5.00		

Full Cost	Subsidy %	Suggested Fee	Fee Δ
\$73.12	10%	\$66.00	\$36
NA	NA	\$4.00	NA
NA	NA	\$25.00	NA
NA	NA	\$20.00	NA
NA	NA	\$30.00	NA
NA	NA	\$30.00	NA
NA	NA	\$30.00	NA
NA	NA	\$15.00	NA
NA	NA	\$50.00	NA
NA	NA	\$30.00	NA
NA	NA	\$7.00	NA
\$151.71	1%	\$150.00	\$50
\$148.43	0%	\$148.00	\$48
NA	NA	\$2.95	NA
\$0.25	60%	\$0.10	\$0
\$16.43	3%	\$16.00	\$11

Fees removed, replaced, or consolidated

Verification Services	New		\$18.58	-223%	\$60.00	#VALUE!
Research Fee	\$100.00		\$95.29	-5%	\$100.00	\$0

PARKS & REC FEES

#	Description	Current Fee/Charge	Unit	Notes
1	PARK RESERVATIONS			
2	Arbor Size			
3	8x10	\$50.00	plus \$75 Deposit	
4	10x10	\$50.00	plus \$75 Deposit	
5	20x40	\$70.00	plus \$100 Deposit	
6	Stage	\$50.00	plus \$75 Deposit	
7	Bounce House(s)	\$25.00	per Bounce House	
8	SWEET BRIER PLAZA RENTAL FEE			
9	Stage			
10	2 hrs minimum rental	\$65.00	HR	
11	Market from 4 pm to 10 pm (6 hours)	\$50.00	HR	
12	Arbor			
13	2 hrs minimum rental	\$150.00	HR	
14	Market from 4 pm to 10 pm (6 hours)	\$100.00	HR	
15	SENIOR CENTER RENTAL FEE			
16	Individual/Private Party	\$250.00	plus \$250 Deposit	Individual or a private party conducting a private activity is \$250.00 with a \$250.00 deposit paid at the time of reservation. Deposit will be returned within three working days of the event following a favorable facility inspection. The capacity of the space is 111 persons.
17	WELLNESS & AQUATIC CENTER			
18	<u>Facility Hour Rental</u>			*Allow extra hour for set-up/clean up (Add extra hourly rate)
19	Great Room	\$100.00	per hour	
24	Facility All Day Rental (12 Hours Only)			Anything after midnight is an extra \$45 per hour
26	Security	\$30.00	per hour/3 hr minimum per security guard	
27	Projectors	\$50.00	extra	
30	<u>Pool Rental</u>			Rental includes: Tables and Chairs up to 75 people with minimum of 3 hours Saturday parties will have to be after 4:30 PM (Between June 13 & August 15) Sunday parties will be either (11:00 AM to 3:00 PM) or (4:00 PM till rental time)
31	Swim Teams & Meets	\$20.00	per hour	
32	0-25 Guest	\$100.00	per hour	
33	51-75 Guest	\$150.00	per hour	
34	101-125 Guest	\$200.00	per hour	
35	151-175 Guest	\$250.00	per hour	
36	26-50 Guest	\$125.00	per hour	
37	76-100 Guest	\$175.00	per hour	
38	126-150 Guest	\$225.00	per hour	
39	175-200 Guest	\$275.00	per hour	
40	200-300 Guest	\$300.00	per hour	
41	Deposit			Anything after midnight is an extra \$45 per hour
42	Deposit	NEW		
43	<u>Swim Lessons</u>			
44	Group 8 days lesson	\$45.00	Per Session	

Direct Staff Cost	Suggested Fee	Fee Δ
\$57.97	\$57.00	\$7
\$76.26	\$76.00	\$26
\$94.55	\$94.00	\$24
\$112.84	\$112.00	\$62
\$76.26	\$76.00	\$51
\$76.26	\$76.00	\$11
\$76.26	\$76.00	\$26
\$112.84	\$112.00	-\$38
\$112.84	\$112.00	\$12
\$332.30	\$330.00	\$80
\$159.74	\$159.00	\$59
NA	Actual Cost plus 10% Admin	#VALUE!
\$71.70	\$70.00	\$20
\$28.68	\$28.00	\$8
\$143.39	\$143.00	\$43
\$215.09	\$2.00	-\$148
\$286.79	\$286.00	\$86
\$358.48	\$358.00	\$108
\$179.24	\$179.00	\$54
\$250.94	\$250.00	\$75
\$322.63	\$322.00	\$97
\$394.33	\$394.00	\$119
\$430.18	\$430.00	\$130
NA	\$100.00	NA
\$64.53	\$64.00	\$19

45	Advertising & Sponsorship Agreement						
46	Package 1	New	per month		NA	\$75.00	NA
47	Package 2	New	per month		NA	\$150.00	NA
48	Customized Banner Option: Package 1	New			NA	\$75.00	NA
49	Customized Banner Option: Package 2	New			NA	\$125.00	NA
50	SPORTS COMPLEX						
51	1 Year Contract	\$20.00	Per Month		NA	\$23.00	\$3
52	Month 2 Month	\$30.00	Per Month		NA	\$30.00	\$0
53	1 Year Medicare	\$15.00	Per Month		NA	\$20.00	\$5
54	M 2 M Medicare	\$25.00	Per Month		NA	\$25.00	\$0
55	3 Month Swim	\$55.00	Fee		NA	\$55.00	\$0
56	Day Pass	\$5.00	Fee		NA	\$5.00	\$0
57	Enrollment Fee	\$25.00	Fee	*City Manager will at times reduce member fees or enrollment fee based on marketing promotions	\$39.27	\$39.00	\$14
58	COL Employee	\$10.00	Per Month	*Deducted from payroll	\$13.40	\$13.00	\$3
59	SPORTS COMPLEX						
60	Soccer: Youth Field	\$15.00	per field		\$29.93	\$29.00	\$14
61	Light towers	\$48.00	per tower		NA	\$48.00	\$0
62	BASEBALL/SOFTBALL FIELDS						
63	Fields	\$30.00	per day		\$29.93	\$29.00	-\$1

Fees removed, replaced, or consolidated

20	Non-profit Flat Fee	\$180.00			\$0.00		-\$180
21	Kitchen	\$125.00	Additional with rental fee ONLY		\$0.00		-\$125
22	Small Classroom (upstairs)	\$50.00	per hour		\$0.00		-\$50
23	Security	\$30.00	per hour/3 hr minimum per 50 guest		NA	Actual Cost plus 10% Admin	#VALUE!
46	Group 1 day lesson	\$15.00	Per Lesson		\$0.00		-\$15
25	Great Room	\$1,050.00	all day (12 hour rental)	Greatroom/Kitchen	\$1,505.62		-\$1,050
28	Marquees LED	\$50.00	extra		\$71.70		-\$50
29	Linens	\$5.00	each		\$7.17		-\$5
41	Operating Concession stand	\$25.00	per date		\$35.85		-\$25
43	Hourly events inside only	\$350.00		Cash or Check	NA		-\$350
44	Facility parties (All day) and Pool Parties	\$500.00		Cash or Check	NA		-\$500
48	Private lesson	\$20.00	Per Hour Per Person		\$28.68		-\$20
50	Salute to Service	\$16.99	Per Month		\$0.00		-\$17
52	6 Month Contract	\$25.00	Per Month		\$0.00		-\$25
57	Public Swim Only	\$40.00	Fee		\$0.00		-\$40
59	5 Day Pass	\$20.00	Fee		\$0.00		-\$20
61	LUSD Employee	\$16.99	Per Month	SilverSneakers Memberships - Medicare Health Plans	\$0.00		-\$17
62	OMNI Employee	\$16.99	Per Month	Renew Active Memberships - Medicare Health Plans (To begin November 2021)	\$0.00		-\$17
63	Pro-PT Employee	\$16.99	Per Month	Silver & Fit Memberships - Medicare Health Plans (To begin December 2021)	\$0.00		-\$17
64	TC Employee	\$16.99	Per Month	GO Lindsay Membership - 60% to McDermont X and 40% to Wellness Center	\$0.00		-\$17
65	Forest Service	\$101.94	6 Mo. PIF		\$0.00		-\$102
67	COL Employee Dependent	\$16.99	Per Month	*Deducted from payroll	\$0.00		-\$17
75	Lights	\$20.00	per night		\$20.00		-\$20
57	Soccer: Adult Field	\$30.00	per game		\$29.93		-\$30
58	Operating Concession stand	\$25.00	per date		\$0.00		-\$25
62	Operating Concession stand	\$25.00	per date		\$0.00		-\$25

Building Permit Cost Recovery Calculation

\$668,605	Total Annual Cost
\$154,741	Average Annual Revenue
23%	Current Average Cost Recovery
-\$513,864	Revenue Surplus/(Deficiency)
332%	% fee change needed to obtain full cost recovery
100%	Desired Cost Recovery
332%	% change applied to tables
\$668,605	Projected Revenue
\$513,864	Projected Revenue change
\$0	Projected subsidy

Building Permit Fees - Current

Total Valuation		Building Permit Fee	Plan Check Fee
1	500	80.00	
501	600	83.99	
601	700	87.99	
701	800	91.98	
801	900	95.97	
901	1,000	99.96	
1,001	1,100	103.96	67.57
1,101	1,200	107.95	70.16
1,201	1,300	111.94	72.76
1,301	1,400	115.93	75.35
1,401	1,500	119.93	77.94
1,501	1,600	123.92	80.54
1,601	1,700	127.91	83.13
1,701	1,800	131.90	85.72
1,801	1,900	135.90	88.32
1,901	2,000	139.89	90.91
2,001	3,000	143.88	93.50
3,001	4,000	147.87	96.09
4,001	5,000	151.87	98.69
5,001	6,000	155.86	101.28
6,001	7,000	159.85	103.87
7,001	8,000	163.84	106.47
8,001	9,000	167.84	109.06
9,001	10,000	171.83	111.65
10,001	11,000	175.82	114.25
11,001	12,000	179.81	116.84
12,001	13,000	183.81	119.43
13,001	14,000	187.80	122.03
14,001	15,000	191.79	124.62
15,001	16,000	195.78	127.21
16,001	17,000	199.78	129.80
17,001	18,000	203.77	132.40
18,001	19,000	207.76	134.99
19,001	20,000	211.75	137.58
20,001	21,000	215.75	140.18
21,001	22,000	219.74	142.77
22,001	23,000	223.73	145.36
23,001	24,000	227.72	147.96
24,001	25,000	231.72	150.55
25,001	26,000	235.71	153.14
26,001	27,000	239.70	155.74

Building Permit Fees - Suggested

Total Valuation		Building Permit Fee	Plan Check Fee
1	500	345.66	0.00
501	600	362.91	0.00
601	700	380.17	0.00
701	800	397.42	0.00
801	900	414.67	0.00
901	1,000	431.92	0.00
1,001	1,100	449.17	291.96
1,101	1,200	466.42	303.16
1,201	1,300	483.67	314.37
1,301	1,400	500.92	325.57
1,401	1,500	518.17	336.78
1,501	1,600	535.42	347.98
1,601	1,700	552.67	359.18
1,701	1,800	569.92	370.39
1,801	1,900	587.18	381.59
1,901	2,000	604.43	392.80
2,001	3,000	621.68	404.00
3,001	4,000	638.93	415.21
4,001	5,000	656.18	426.41
5,001	6,000	673.43	437.61
6,001	7,000	690.68	448.82
7,001	8,000	707.93	460.02
8,001	9,000	725.18	471.23
9,001	10,000	742.43	482.43
10,001	11,000	759.68	493.63
11,001	12,000	776.93	504.84
12,001	13,000	794.19	516.04
13,001	14,000	811.44	527.25
14,001	15,000	828.69	538.45
15,001	16,000	845.94	549.66
16,001	17,000	863.19	560.86
17,001	18,000	880.44	572.06
18,001	19,000	897.69	583.27
19,001	20,000	914.94	594.47
20,001	21,000	932.19	605.68
21,001	22,000	949.44	616.88
22,001	23,000	966.69	628.08
23,001	24,000	983.94	639.29
24,001	25,000	1,001.20	650.49
25,001	26,000	1,018.45	661.70
26,001	27,000	1,035.70	672.90

BUILDING FEES

#	Description	Current Fee/Charge	Unit	Notes
1	FLAT RATES MISCELLANEOUS			
2	HVAC unit	\$435.00		
3	Building sewer	\$320.00		
4	Demolition	\$295.00		
5	Electrical Service (<200 amp)	\$295.00		
6	Evaporative cooler	\$230.00		
7	Excavation/Encroachment of Right of Way (Includes 2 inspections)	\$380.00		
8	Utility Company Annual Encroachment of Right of Way	\$1,060.00		
9	Septic tank abandonment	\$260.00		
10	Signs (No Electrical)	\$410.00		
11	Signs (Electrical)	\$535.00		
12	Above-ground swimming pool	\$535.00		
13	Temporary power service	\$310.00		
14	Tub/Shower	\$360.00		
15	Wall furnace	\$360.00		
16	Water heater	\$360.00		
17	Patio and carport	\$485.00		
18	Reroof single family residential	\$385.00		
19	Reroof multifamily/commercial (per building)	\$585.00		
20	Water Softner	New		
21	Residential window replacement	New		
22	Residential wood fence install/replacement	New		
23	Temporary Storage POD Encroachment Permit (30 Days max)	New		
24	OTHER INSPECTION FEES			
25	Special inspections (Compliance) \$105 per hour minimum 2 hour	\$210.00		
26	Re-inspection fees	\$105.00		
27	ELECTRICAL PERMIT FEES			Work without Permit 2x Permit Fees each applicable category
28	Permit fee	See Attachment A		
29	Residential Rooms w/ receptacles/outlets	New	per room	
30	Commercial Rooms w/receptables/outlets	New	per room	
31	Electric meter up to 200 amp	\$250.00		

Full Cost	Subsidy %	Suggested Fee	Fee Δ
\$479.90	0%	\$479.00	\$44
\$349.33	0%	\$349.00	\$29
\$305.80	0%	\$305.00	\$10
\$305.80	0%	\$305.00	\$10
\$262.28	0%	\$262.00	\$32
\$392.85	0%	\$392.00	\$12
\$1,089.23	0%	\$1,089.00	\$29
\$305.80	0%	\$305.00	\$45
\$460.06	0%	\$460.00	\$50
\$590.63	0%	\$590.00	\$55
\$697.52	0%	\$697.00	\$162
\$305.80	0%	\$305.00	-\$5
\$349.33	0%	\$349.00	-\$11
\$349.33	0%	\$349.00	-\$11
\$349.33	0%	\$349.00	-\$11
\$590.63	0%	\$590.00	\$105
\$392.85	0%	\$392.00	\$7
\$610.47	0%	\$610.00	\$25
\$349.33	0%	\$349.00	NA
\$329.49	0%	\$329.00	NA
\$175.23	0%	\$175.00	NA
\$333.33	0%	\$333.00	NA
\$354.83	0%	\$354.00	\$144
\$130.57	0%	\$130.00	\$25
NA	NA	See Attachment A	NA
\$43.52	1%	\$43.00	NA
\$87.05	0%	\$87.00	NA
\$305.80	0%	\$305.00	\$55

32	Photovoltaic System			Set by Assembly Bill AB1414 & Shall remain in effect until 1-1-25)
33	Residential 1-15 Kilowatts	\$500.00	each	
34	Residential for each kilowatt above 15 kw	\$15.00	per kw	
35	Commercial 1-50 Kilowatts	\$1,000.00	each	
36	Commercial for each kilowatt between 51 kw and 250 kw	\$7.00	per kw	
37	Commercial for eachkilowatt above 250 kw	\$5.00	per kw	
38	PLUMBING PERMIT FEES			
39	Permit fee	See Attachment A		
40	Water heater and/or vent	\$125.00		
41	Gas piping one to five outlets	\$125.00		
42	Each additional gas piping, per outlet	\$40.00		
43	Water piping	\$30.00		
44	Building sewer and each trailer park sewer	\$60.00		
45	Room w/fixtures	\$30.00		
46	Grease trap	\$125.00		
47	Landscape sprinkler system. New MWEL0 (<2,500 sq. ft Landscape Area)	\$250.00		
48	Landscape sprinkler system. New MWEL0 (>2,500 sq. ft Landscape Area)	\$500.00		
49	Fire & Hood Suppression/Alarm System/Detection System			
50	Residential Fire Sprinkler System	\$300.00		
51	Commercial Fire Sprinkler System	New		
52	Protection Devices			
53	Residential Backflow Preventer or Vacum Breakers	\$175.00		
54	Commercial Backflow Preventer or Vacum Breakers	\$285.00		
55	MECHANICAL PERMIT FEES			
56	Permit fee	See Attachment A		
57	Wall furnace/HVAC	\$125.00		
58	Fan ventilation	\$30.00		
59	Duct system	\$30.00		
60	Hood (including duct)	\$30.00		

NA	NA	\$500.00	NA
NA	NA	\$15.00	NA
NA	NA	\$1,000.00	NA
NA	NA	\$7.00	NA
NA	NA	\$5.00	NA
NA	NA	See Attachment A	NA
\$131.71	1%	\$131.00	\$6
\$131.71	1%	\$131.00	\$6
\$43.52	1%	\$43.00	\$3
\$87.05	0%	\$87.00	\$57
\$43.52	1%	\$43.00	-\$17
\$43.52	1%	\$43.00	\$13
\$130.57	0%	\$130.00	\$5
\$305.80	0%	\$305.00	\$55
\$392.85	0%	\$392.00	-\$108
\$218.75	0%	\$218.00	-\$82
\$479.90	0%	\$479.00	NA
\$175.23	0%	\$175.00	\$0
\$175.23	0%	\$175.00	-\$110
NA	NA	See Attachment A	NA
\$130.57	0%	\$130.00	\$5
\$43.52	1%	\$43.00	\$13
\$43.52	1%	\$43.00	\$13
\$43.52	1%	\$43.00	\$13

Fees removed, replaced, or consolidated

25	Residential wiring system (includes one & two family residential)	\$0.112	per sq ft	\$0.00	#DIV/0!	\$0
26	Multifamily wiring system	\$0.100	per sq ft	\$0.00	#DIV/0!	\$0
27	Light fixtures, plugs, switches	\$78.40	First 20	\$0.00	#DIV/0!	-\$78
28	Additional each...	\$1.60	each	\$0.00	#DIV/0!	-\$2
47	In-ground spa/pool	\$375.00		\$0.00	#DIV/0!	-\$375
50	Sprinkler System Expansion	\$235.00		\$0.00	#DIV/0!	-\$235
53	Residential Backflow Preventer or Vacum Breakers: over five devices, each	\$85.00		\$0.00	#DIV/0!	-\$85
58	Cooler	\$30.00		\$30.00	100%	-\$30

PLANNING FEES

#	Description	Current Fee/Charge	Unit	Notes
1	Preliminary Plan Review	\$250.00		
2	Site Plan Review	\$1,800.00		
3	Variance Review	\$2,000.00		
4	Conditional Use Review	\$2,000.00		
5	Home Occupation Permit	\$150.00		
6	Sign Review	\$150.00		
7	Zoning Text Amendment Request	\$3,500.00		
8	Zone Change	\$3,900.00		
9	General Plan Amendment	\$3,900.00		
10	Planned Unit Development	\$2,400.00		
11	Lot Line Adjustment	\$1,800.00	Deposit	
12	Tentative Parcel Map	\$3,800.00	Deposit	
13	Tentative Subdivision Map	\$5,700.00	Deposit	
14	Final Parcel Map Check	\$1,600.00	Deposit	
15	Subdivision Map Check	\$3,300.00	Deposit	
16	Annexation Processing	\$1,360.00	Deposit	
17	Development Extension Review	\$110.00		
18	Planning Appeal Processing	\$170.00		
19	Environmental Impact Review - Deposit	\$530.00	Deposit	
20	Grading Plan Check	\$400.00	Deposit	
21	Grading Inspection	\$100.00		Minimum Fee - 1-4 residential units
28	Compliance Review	\$80.00		
29	R.O.W. Encroachment Plan Check/Review	\$100.00		
30	Zoning Code Enforcement			
31	Infraction	\$100.00		
32	Misdemeanor	\$340.00		
33	New Fees Added			
34	General Plan Update Fee	New	% of Building Permit Fee	
35	Conditional Use Permit (CUP) Amendment	New		
36	Development Agreement	New		
37	Environmental-Categorical Exemption	New		
38	Environmental-Negative Declaration or Mitigated ND	New		
39	Extension Request	New		
40	Special Event Permit			

Full Cost	Subsidy %	Suggested Fee	Fee Δ
\$1,004.71	0%	\$1,004.00	\$754
\$2,906.94	0%	\$2,906.00	\$1,106
\$2,425.88	0%	\$2,425.00	\$425
\$2,425.88	0%	\$2,425.00	\$425
\$117.27	0%	\$117.00	-\$33
\$155.59	0%	\$155.00	\$5
\$4,549.90	0%	\$4,549.00	\$1,049
\$5,331.93	0%	\$5,331.00	\$1,431
\$5,331.93	0%	\$5,331.00	\$1,431
\$3,001.70	0%	\$3,001.00	\$601
\$2,835.15	0%	\$2,835.00	\$1,035
\$5,239.84	0%	\$5,239.00	\$1,439
\$8,148.65	0%	\$8,148.00	\$2,448
\$2,658.91	0%	\$2,658.00	\$1,058
\$4,247.91	0%	\$4,247.00	\$947
\$6,192.44	0%	\$6,192.00	\$4,832
\$217.19	0%	\$217.00	\$107
\$769.50	0%	\$769.00	\$599
\$2,597.03	0%	\$2,597.00	\$2,067
\$726.59	0%	\$726.00	\$326
\$193.73	0%	\$193.00	\$93
\$117.27	0%	\$117.00	\$37
\$105.54	1%	\$105.00	\$5
\$203.25	0%	\$203.00	\$103
\$414.24	0%	\$414.00	\$74
16%	50%	8%	NA
\$1,794.88	0%	\$1,794.00	NA
\$8,338.36	0%	\$8,338.00	NA
\$408.80	0%	\$408.00	NA
\$6,226.53	0%	\$6,226.00	NA
\$941.94	0%	\$941.00	NA

41	Category I; Temporary Signs, Grand Opening Banners/ Balloons	\$30.00		
42	Category II; Temporary Uses of 3 days or Less (Valentine's Day flower sales, firework sales)	\$50.00		
43	Category III; Events with less than 100 attendees	\$85.00		
44	Category IV; Events with 100-499 attendees	\$125.00		
45	Category V; Events with greater than 500 attendees; Events involving the sale of alcohol.	\$175.00		
46	Low Impact Road Closure	\$100.00		
47	High Impact Road Closure	\$250.00		
48	Mobile Vending Permit	\$150.00		
49	Sidewalk Vending Permit	New		
50	Engineering Development/Public Improvement Plan Check and inspection, percent by value	New		Charge 4% of project valuation

\$67.31	0%	\$67.00	\$37
\$191.06	0%	\$191.00	\$141
\$382.12	0%	\$382.00	\$297
\$615.89	0%	\$615.00	\$490
\$880.74	0%	\$880.00	\$705
\$351.76	0%	\$351.00	\$251
\$686.18	0%	\$686.00	\$436
\$370.45	0%	\$370.00	\$220
\$370.45	0%	\$370.00	NA
NA	NA	4.00%	NA

Fees removed, replaced, or consolidated

22	Engineering Development/Public Improvement Plan Check and inspection, percent by value			
23	\$1-\$10,000	5.0%		
24	\$10,001-\$100,000	3.5%		
25	\$100,001-\$200,000	3.0%		
26	\$200,001-\$500,000	2.5%		
27	\$500,001 and above	2.5%		
21	Environmental Impact Review	\$80.00	Fee	
18	Temporary Use Permit	\$400.00		for up to 3 events in a calendar year for an established applicant & good standing history on past events.
19	Temporary Use Permit	\$600.00		for up to 3 events in a calendar year for a New applicant.
33	Special Traffic/Curb Marking Requests			
34	Initial Set Up	\$105.00		
35	Annual	\$105.00		
36	Special Business Permit	\$100.00		
27	Grading Permit Fee	\$0.20	per Cubic Yard	

11.35%	0%	11.35%	\$0
4.12%	0%	4.12%	\$0
4.25%	0%	4.25%	\$0
3.45%	0%	3.45%	\$0
2.78%	0%	2.78%	\$0
\$80.00	#VALUE!	Actual Cost	#VALUE!
\$17.35	100%		-\$400
\$17.35	100%		-\$600
\$17.35	100%		-\$105
\$17.35	100%		-\$105
\$17.35	100%		-\$100
\$17.35	100%		\$0



STAFF REPORT

TO: Lindsay City Council
 FROM: Neyba Amezcua, Director of City Services & Planning
 DEPARTMENT: City Services & Planning
 ITEM NO.: 11.1
 MEETING DATE: August 23, 2022

ACTION & RECOMMENDATION

Consider Approval of Fiscal Year 2022-2023 Streets Program.

BACKGROUND | ANALYSIS

The City does not have sufficient resources to execute all desired Capital Improvement Projects each year Fiscal Year. Therefore, the City identifies potential projects and selects which projects to execute depending on the available resources. The recommended listing identifies the program which the City would like to execute throughout the Fiscal Year based on available resources, timing, weather and construction timeframes.

Typical projects consist of street rehabilitation, cape seals, and slurry seals. The estimates include any necessary repairs prior to the final product application which can include replacement or installation of any combination of the following items: sidewalks, curb & gutters, trees, vee gutters, commercial/residential drive approaches, water line services, storm drains, and sewer lines.

Recommended 2022-2023 Streets Program

Remove the following from the previously approved Streets List:

- Center Street from Sweet Briar to Elmwood Ave. \$122,000

Proposed Rehabilitation Project Street List:

- Ashland St. from Hermosa St. to Apia St. \$260,000
- Fresno St. from HWY 65 to Westwood Ave. \$263,000
(Street Only)
- Westwood from Hermosa to Tulare Rd. \$517,000
- Kern St. from Westwood Ave. to Eastwood Ave. \$461,000
- Van Ness Ave. from Hermosa St. to Mariposa St. \$438,000
- Central Ave. from Hermosa St. to Mariposa St. \$438,000
- Foothill Ave. from Tulare Rd. to Sierra View St. \$424,000
- Tulare Rd. from Foothill to Strathmore Ave. \$231,500
(Street Only)



STAFF REPORT

Total \$3,032,500

Options for the 2022-2023 Fiscal Year Street Study Session include the following:

- Approve recommended FY 2022-2023 Streets Program.
- Modify FY 2022-2023 Streets Program.
- Do not approve FY 2022-2023 Streets Program and provide direction to staff.

FISCAL IMPACT

The Program Budget is \$3,032,500, to be sourced from Fund 200, 265, and 266.

ATTACHMENTS

- None



STAFF REPORT

TO: Lindsay City Council
FROM: Curtis Cannon, Planning Manager
DEPARTMENT: City Services and Planning
ITEM NO.: 11.2
MEETING DATE: August 23, 2022

ACTION & RECOMMENDATION

Consider Approval of **Resolution 22-50**, A Resolution of the Lindsay City Council of the City of Lindsay Authorizing the Submittal of an Application to the San Joaquin Valley Air Pollution Control District (SJVAPCD) for the Public Benefit Grants New Alternative Fuel Vehicle Purchase Program and Granting City Manager Authorization to Execute Any Documents Thereto.

BACKGROUND | ANALYSIS

City Staff has prepared an application package to the SJVAPCD for the “New Alternative Fuel Vehicle Purchase” Program. The Program is a grant, offering up to \$20,000 per vehicle, with a maximum of \$100,000 toward each local jurisdiction per year. The funds are on a first come-first serve basis. The vehicles must be approved by the SJVAPCD as a new alternative fuel vehicle (electric or hybrid-electric).

City Services Maintenance and Inspection staff are in need of five (5) vehicles to replace current (older) ones and add to the existing fleet. The recommended vehicle will be a Cushman Hauler Pro Elite (Lithium Battery) whose specifications can be seen in the quote attached to this report. The vehicles will be predominantly used for parks, water, wastewater, general maintenance, and inspection services. The vehicle is all electric, with a lithium battery, that will provide longer service for each charge than what is currently being utilized within the existing fleet. They are outfitted with a small utility bed that is mechanized for hauling and dumping.



STAFF REPORT

FISCAL IMPACT

The grant, if fully awarded would cover the cost for all five (5) vehicles for a total as follows:

Purchase price of unit as described above:	\$ 13,962.00
Canopy:	\$ 450.00
Windshield (fold down):	\$ 195.00
Electric Dump Bed:	\$ 500.00
5 Panel Mirror:	\$ 50.00
USB outlet:	\$ 172.00
Brake & Taillights:	\$ 194.00
D Ring Tie Down:	\$ 40.00
Subtotal:	\$ 15,563.00
Freight:	\$ 800.00
Sales tax:	\$ 1,361.76
Total:	\$ 17,724.76

The City could potentially see a savings of \$88,623.80 if awarded the grant.

\$17,724.76 per vehicle * 5 vehicles = \$88,623.80

ATTACHMENTS

- Qualified Dealer Quote
- Grant Application Package
- Resolution 22-50



CUSHMAN.



*Visalia, CA 93291
559-733-2982 Phone
559-733-3002 Fax*

City of Lindsay

August 12, 2022



HAULER PRO ELITE (Lithium)

5-year battery warranty

Phone: (559) 733-2982 / Fax: (559) 733-3002



CUSHMAN.



*Visalia, CA 93291
559-733-2982 Phone
559-733-3002 Fax*



Body & Chassis

Frame: Welded Steel with Dura-Shield Powder Coat
Body & Finish: Injection Molded TPO
Standard Color: Patriot Blue

Dimensions

Overall Length: 119" Wheelbase: 77"
Overall Width: 49.4" Front Wheel Track: 35.0"
Overall Height: 70.5" Rear Wheel Track: 38.5"
w/Canopy Ground Clearance: 4.5"
Cargo Box Capacity: 12 cu ft

Power

Power Source: 56.7 V Li-Ion Battery Motor Type: AC Induction
Horsepower: 14.9 Hp Electrical System: 48V Primary
Battery (Qty/Type): 4.2 ELiTE - Twin Pack
Drive Train: Motor Shaft Direct Drive
Transaxle: Differential w/ Helical Gears

Performance

Seating Capacity: 2-Person Towing Capacity: 1500 lbs.
Speed: 16.5 mph \pm .5 mph Outside Clearance Circle: 21.5 ft
Curb Weight: 926 lbs. Front/Rear Tires: 18 x 8.5 - 8
Bed Load Capacity: 800 lbs.
Vehicle Load Capacity: 1200 lbs.

Phone: (559) 733-2982 / Fax: (559) 733-3002



*Visalia, CA 93291
559-733-2982 Phone
559-733-3002 Fax*



Purchase price of unit as described above:	\$ 13,962.00
Canopy:	\$ 450.00
Windshield (fold down):	\$ 195.00
Electric Dump Bed:	\$ 500.00
5 Panel Mirror:	\$ 50.00
USB outlet:	\$ 172.00
Brake & Taillights:	\$ 194.00
D Ring Tie Down:	\$ 40.00
Subtotal:	\$ 15,563.00
Freight:	\$ 800.00
Sales tax:	\$ 1,361.76
Total:	\$ 17,724.76

Validity: This quote is valid for 30 days.

No. of Units Ordered: _____

Purchase Order #: _____ Date: _____

Name in Print: _____ Title: _____

Signature: _____

Phone: (559) 733-2982 / Fax: (559) 733-3002

Please return all completed applications to:
 SJVAPCD Strategies and Incentives Department
 1990 East Gettysburg Avenue; Fresno, CA 93726-0244



San Joaquin Valley
 AIR POLLUTION CONTROL DISTRICT

PUBLIC BENEFIT GRANTS PROGRAM
New Alternative Fuel Vehicle Purchase
Application

Applicant Information

1. Public Agency Name (as it appears on Form W-9): City of Lindsay		
2. Tax ID: Taxpayer ID Number (TIN) 94-6000357		
3. Address: 251 E. Honolulu Street		
4. City: Lindsay	5. State: CA	6. ZIP Code: 93247
7. Mailing Address (if different from above): P.O. Box 369		
8. City: Lindsay	9. State: CA	10. ZIP Code: 93247
11. Have you applied to any other grant programs for any vehicle in this application? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes – Name of Grant Program(s): _____		

Primary Contact Information

1. First Name: Curtis		2. Last Name: Cannon	
3. Title: Planning Manager		4. E-Mail: ccannon@lindsay.ca.us	
5. Phone Number: 559-562-7102 Ext. 8041	6. Alternate Contact Number: 559-562-7102 Ext. 8043	7. Fax Number:	

Contract Signing Authority

1. First Name: Joseph		2. Last Name: Tanner	
3. Title: City Manager			

New Vehicle Information- Complete a separate page for each vehicle make/model

1. Number of Vehicles: Five (5)		
2. Vehicle Type (<i>please select one</i>):		
<u>Electric</u> <input type="checkbox"/> Light-light Duty Vehicle (GVWR ≤ 8,500 lbs.) <input checked="" type="checkbox"/> Transport/Utility Cart <input type="checkbox"/> Scooter <input type="checkbox"/> Bicycle <input type="checkbox"/> Other (specify): _____	<u>Plug-In Hybrid</u> <input type="checkbox"/> Light-Light Duty Vehicle (GVWR ≤ 8,500 lbs.) <input type="checkbox"/> Light-Medium Duty Vehicle (GVWR 8,501 – 14,000 lbs.) <input type="checkbox"/> Other (specify): _____	<u>CNG, LNG, or LPG</u> <input type="checkbox"/> Light-light Duty Vehicle (GVWR ≤ 8,500 lbs.) <input type="checkbox"/> Light-Medium Duty Vehicle (GVWR 8,501 – 14,000 lbs.) <input type="checkbox"/> Transport/Utility Cart <input type="checkbox"/> Other (specify): _____
3. Vehicle Make: Cushman	4. Vehicle Model: Hauler Pro Elite Lithium	5. Vehicle Model Year: 2023
6. Vehicle GVWR: 926 lbs.	7. Engine Horsepower/Kilowatts: 14.9 HP / 11.1kW	
8. Fuel Type: <input checked="" type="checkbox"/> Electric <input type="checkbox"/> Plug-In Hybrid <input type="checkbox"/> CNG <input type="checkbox"/> LNG <input type="checkbox"/> LPG <input type="checkbox"/> Other (specify): _____		
9. Manufacturer's estimated range for fully charged vehicle (electric vehicles only): 50 Miles per fully charged vehicle		
10. Total Cost of each New Vehicle: \$17,724.76	11. Total Funding Requested from SJVAPCD (per vehicle): \$17,724.76	
12. Is there existing charging/fueling infrastructure in place for the proposed vehicle(s)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If no, please describe a plan for building infrastructure or gaining access to existing infrastructure:		
13. How do you intend to pay for the remaining balance of the project after the grant has been applied? <input type="checkbox"/> Co-funding (please name source): _____ <input type="checkbox"/> Other (please specify): _____		

New Vehicle Dealer Information

1. Vehicle Dealer Name: KAWEAH LIFT, INC.P.O. BOX 4227, VISALIA, CA 93291	
2. Contact / Salesperson Name: Nick Casey	3. E-mail: www.kaweaequipment.com
4. Phone Number: 559-733-2982	5. Fax Number:

Internal use only

GMS Unit(s): _____

New Vehicle Activity Information- Complete a separate page for each vehicle make/model

***If applying for multiple vehicles that will be performing different activities, please complete a separate section for each different vehicle activity**

1. Number of vehicles with same vehicle activity: Five (5)			
2. Use within SJVAPCD boundaries: <u>100</u> %	3. Use within CA boundaries: <u>100</u> %	4. Estimated Annual Vehicle Usage (per vehicle): _____	
5. Vehicle Vocation/Use (examples: law enforcement, emergency services, commuting, patrol, pool vehicle, etc.): Maintenance and field inspections			
6. Please mark the reason for purchasing the new vehicle(s): <input checked="" type="checkbox"/> Fleet Expansion - Please list the vehicle(s) you would have purchased had you not applied for this grant: Same vehicle <input checked="" type="checkbox"/> Vehicle Replacement - Please list the year, make, and model of the vehicle(s) to be replaced: <input type="checkbox"/> Other - Please specify:			

Internal use only

GMS Unit(s): _____

New Vehicle Activity Information

1. Number of vehicles with same vehicle activity:			
2. Use within SJVAPCD boundaries: _____ %	3. Use within CA boundaries: _____ %	4. Estimated Annual Vehicle Usage (per vehicle): _____	
5. Vehicle Vocation/Use (examples: law enforcement, emergency services, commuting, patrol, pool vehicle, etc.):			
6. Please mark the reason for purchasing the new vehicle(s): <input type="checkbox"/> Fleet Expansion - Please list the vehicle(s) you would have purchased had you not applied for this grant: <input type="checkbox"/> Vehicle Replacement - Please list the year, make, and model of the vehicle(s) to be replaced: <input type="checkbox"/> Other - Please specify:			

Internal use only

GMS Unit(s): _____

Signature Form
Signing Authority to initial and sign in blue ink

Certifications

By initialing each of the following sections, I certify that I have read the Eligibility Criteria and Application Guidelines and agree to **ALL** of the following terms and conditions:

Initial _____ The new vehicle(s) will be based within the geographic area of the SJVAPCD and seventy-five percent (75%) or more of the vehicle miles traveled or fuel consumption will be within the boundaries of the SJVAPCD for at least three (3) years from the date the vehicle is placed into service.

Initial _____ The new vehicle(s) will be used by a public agency located within the geographic area of the SJVAPCD.

Initial _____ The vehicle(s) purchased is/are a new OEM electric, plug-in hybrid, or alternative fuel vehicle(s) eligible for this program in accordance with the program guidelines.

Initial _____ Appropriate fueling or charging infrastructure for the new vehicle(s) is or will be readily available or accessible.

Initial _____ Any funding received, including funding from other sources, combined with this grant will not exceed the full cost of the new vehicle(s).

Initial _____ Additional funding sources, or other financial incentive(s) and funding amounts to be used towards this project are disclosed on the application.

Initial _____ Project match funding is reasonably available to complete the project in a timely manner.

Initial _____ Applicant will not purchase or take delivery of the new vehicle(s) until receiving an executed contract with the SJVAPCD.

Initial _____ SJVAPCD maintains the right to inspect the new vehicle(s) at any time during the contract period.

I hereby certify that all information provided in this application and any attachments are true and correct to the best of my knowledge.

Signing Authority Signature

Date

Application Packet Checklist

When submitting a project for consideration, submit a **complete** application packet. An incomplete application packet will lengthen the application processing time and delay possible incentive funding. A complete application packet includes the following items:

- Completed **Application** (Pages 1 thru 3), no required fields blank.
- Completed **Signature Form** (Page 4), signed in **blue ink**.
- First page of **IRS Form W-9**.
- Dated and itemized dealer **quote** for the new vehicle(s).
 - The quote must provide a breakdown of the total cost of the new vehicle and warranty (if not included in the purchase price), and include specific vehicle and engine information such as make, model, model year, engine horse power or watts, and vehicle GVWR.
- Resolution** from the Applicant's governing body (i.e. City Council or County Board of Supervisors), or other documentation signed by a duly authorized official with authority to make financial decisions, authorizing the submittal of the application and identifying the individual authorized to implement the new vehicle project.
- If applicable, documentation which demonstrates future availability/accessibility **and** specifies the timeframe when infrastructure will be available/accessible. Only applicants who currently do not have infrastructure, or access to infrastructure, specific to the new vehicle(s) applied for in this project are required to submit this documentation.

Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

Print or type See Specific Instructions on page 2.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. City of Lindsay	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification; check only one of the following seven boxes: <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶ _____ Note. For a single-member LLC that is disregarded, do not check LLC; check the appropriate box in the line above for the tax classification of the single-member owner. <input checked="" type="checkbox"/> Other (see instructions) ▶ City of Lindsay	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
	5 Address (number, street, and apt. or suite no.) 251 E. Honolulu Street (P.O. Box 369)	
	6 City, state, and ZIP code Lindsay, CA 93247	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

Note. If the account is in more than one name, see the instructions for line 1 and the chart on page 4 for guidelines on whose number to enter.

Social security number	
[] [] [] - [] [] - [] [] [] []	
or	
Employer identification number	
9 4 - 6 0 0 0 3 5 7	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 3.

Sign Here	Signature of U.S. person ▶	Date ▶
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. Information about developments affecting Form W-9 (such as legislation enacted after we release it) is at www.irs.gov/fw9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following:

- Form 1099-INT (interest earned or paid)
- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)

- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding? on page 2.

By signing the filled-out form, you:

- Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
- Certify that you are not subject to backup withholding, or
- Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
- Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting?* on page 2 for further information.

Note. If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States:

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions on page 3 for details),

3. The IRS tells the requester that you furnished an incorrect TIN,

4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or

5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code* on page 3 and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships* above.

What is FATCA reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code* on page 3 and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account, list first, and then circle, the name of the person or entity whose number you entered in Part I of Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note. ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C Corporation, or S Corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2. "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box in line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box in line 3.

Limited Liability Company (LLC). If the name on line 1 is an LLC treated as a partnership for U.S. federal tax purposes, check the "Limited Liability Company" box and enter "P" in the space provided. If the LLC has filed Form 8832 or 2553 to be taxed as a corporation, check the "Limited Liability Company" box and in the space provided enter "C" for C corporation or "S" for S corporation. If it is a single-member LLC that is a disregarded entity, do not check the "Limited Liability Company" box; instead check the first box in line 3 "Individual/sole proprietor or single-member LLC."

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space in line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

- A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)
- B—The United States or any of its agencies or instrumentalities
- C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)
- E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)
- F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state
- G—A real estate investment trust
- H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940
- I—A common trust fund as defined in section 584(a)
- J—A bank as defined in section 581
- K—A broker
- L—A trust exempt from tax under section 664 or described in section 4947(a)(1)
- M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note. You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you use your SSN.

If you are a single-member LLC that is disregarded as an entity separate from its owner (see *Limited Liability Company (LLC)* on this page), enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note. See the chart on page 4 for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.ssa.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer Identification Number (EIN) under Starting a Business. You can get Forms W-7 and SS-4 from the IRS by visiting IRS.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, or 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code* earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee) b. So-called trust account that is not a legal or valid trust under state law	The grantor-trustee ¹ The actual owner ¹
5. Sole proprietorship or disregarded entity owned by an individual	The owner ²
6. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor [*]
For this type of account:	Give name and EIN of:
7. Disregarded entity not owned by an individual	The owner
8. A valid trust, estate, or pension trust	Legal entity ⁴
9. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
10. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
11. Partnership or multi-member LLC	The partnership
12. A broker or registered nominee	The broker or nominee
13. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
14. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships* on page 2.

***Note.** Grantor also must provide a Form W-9 to trustee of trust.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Publication 4535, Identity Theft Prevention and Victim Assistance.

Victims of identity theft who are experiencing economic harm or a system problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes. Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at: spam@uce.gov or contact them at www.ftc.gov/idtheft or 1-877-IDTHEFT (1-877-438-4338).

Visit IRS.gov to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

NUMBER 22-50

TITLE A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE SAN JOAQUIN VALLEY AIR POLLUTION CONTROL DISTRICT (SJVAPCD) FOR THE PUBLIC BENEFIT GRANTS NEW ALTERNATIVE FUEL VEHICLE PURCHASE PROGRAM AND GRANTING CITY MANAGER AUTHORIZATION TO EXECUTE ANY DOCUMENTS THERETO

MEETING At a regularly scheduled meeting of the City of Lindsay City Council held on August 23, 2022, at 6:00 PM at 251 E. Honolulu Street, Lindsay, CA 93247

WHEREAS, the City Council of the City of Lindsay is eligible to receive funding for the purchase of new alternative-fuel vehicles; and

WHEREAS, a formal application package to the San Joaquin Valley Air Pollution Control District (SJVAPCD) for their Public Benefit Grant Program is required before funds can be claimed; and

WHEREAS, the New Alternative Fuel Vehicle Purchase Program will make available, on a first come-first serve basis, up to, \$20,000 per qualified vehicle, with a maximum of \$100,000 per year, per agency, and

WHEREAS, the City of Lindsay wishes to delegate authorization to execute these agreements and any amendments thereto.

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

SECTION 1. The City Council of the City of Lindsay authorizes the City Manager, or their designee, to sign all necessary documentation, to be the duly authorized official with authority to make financial decisions, to implement the new vehicle project, and execute any documents thereto.

SECTION 2. The City Council of the City of Lindsay authorizes the submittal of the application package to the San Joaquin Valley Air Pollution Control District (SJVAPCD).



A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LINDSAY

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

MEETING DATE	August 23, 2022
MOTION	
SECOND MOTION	
AYES	
ABSENT	
ABSTAIN	
NAYS	

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

FRANCESCA QUINTANA
CITY CLERK

RAMONA CAUDILLO
MAYOR