LODI CITY COUNCIL
Carnegie Forum
305 West Pine Street, Lodi

AGENDA – REGULAR MEETING
Date: July 17, 2019
Time: Closed Session 6:00 p.m.
         Regular Meeting 7:00 p.m.

For information regarding this Agenda please contact:
Jennifer M. Ferraiolo
City Clerk
Telephone: (209) 333-6702

6:55 p.m. Invocation/Call to Civic Responsibility. Invocations/Calls may be offered by any of the various
religious and non-religious organizations within and around the City of Lodi. These are voluntary offerings of private
citizens, to and for the benefit of the Council. The views or beliefs expressed by the Speaker have not been previously
reviewed or approved by the Council, and the Council does not endorse the beliefs or views of any speaker.

C-1 Call to Order / Roll Call
C-2 Announcement of Closed Session
a) Conference with Adele Post, Human Resources Manager, and Andrew Keys, Deputy City
   Manager (Labor Negotiators), Regarding Lodi City Mid-Management Association, AFSCME
   General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers
   Association, Lodi Police Dispatchers Association, Lodi Professional Firefighters, International
   Brotherhood of Electrical Workers, Executive Management, and Council Appointee
   (City Manager) Pursuant to Government Code §54957.6 and §54957 (CM)
b) Conference with Legal Counsel – Anticipated Litigation: Significant Exposure to Litigation
   Pursuant to Government Code Sections 54956.9(d)(2) and 54956.9(e)(1); One Case; Shall Not
   be Disclosed Due to Facts and Circumstances Not Yet Known to Potential Plaintiffs (CA)
C-3 Adjourn to Closed Session

NOTE: THE FOLLOWING ITEMS WILL COMMENCE NO SOONER THAN 7:00 P.M.

C-4 Return to Open Session / Disclosure of Action
A. Call to Order / Roll Call
B. Presentations
   B-1 American Legion Centennial Proclamation (CLK)
   B-2 National Night Out Proclamation (PD)
C. Consent Calendar (Reading; Comments by the Public; Council Action)
   C-1 Receive Register of Claims for May 24, 2019 through June 21, 2019 in the Amount of
       $6,869,146.94 (FIN)
   C-2 Approve Minutes (CLK)
       a) June 11, June 18, June 25, July 2, and July 9, 2019, Shirtsleeve Sessions
       b) June 19 and July 3, 2019 (Regular Meetings)
       c) July 9, 2019 (Special Meeting)
Res. C-3 Adopt Resolution Authorizing Purchase of DJI M210 Unmanned Aircraft Systems from
       Flymotion Unmanned Systems for Use by Police Department and Appropriate Funds ($31,881)
       (PD)
Res. C-4 Adopt Resolution Authorizing Vehicle Replacement Purchase (05-097) and Appropriating Funds
       ($54,774.12) (PD)
Res. C-5 Adopt Resolution Authorizing Vehicle Replacement Purchase (05-028) and Appropriating Funds
       ($54,774.12) (PD)
<table>
<thead>
<tr>
<th>Resolution</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Res. C-6</td>
<td>Adopt Resolution Approving Purchase of Palo Alto Networks Firewalls from CDW-G, of Vernon Hills, Illinois ($49,624.60) (CM)</td>
</tr>
<tr>
<td>Res. C-7</td>
<td>Adopt Resolution Authorizing City Manager to Execute Five-Year Contract with Axon Enterprise, Inc., for Body Camera and TASER Subscription, Maintenance, and Licensing; and Appropriate Funds ($702,634) (PD)</td>
</tr>
<tr>
<td>Res. C-8</td>
<td>Adopt Resolution Awarding Contract for McLane Substation Upgrade Project to Wilson Utility Construction Company, of Canby, Oregon ($1,605,836); Authorizing City Manager to Execute Change Orders ($194,164); and Appropriating Funds ($400,000) (EU)</td>
</tr>
<tr>
<td>Res. C-9</td>
<td>Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Patice Green dba Roadside Concepts, of Livermore, for Hutchins Street Square Programming, Marketing, and Sponsor Solicitation ($40,800) (PRCS)</td>
</tr>
<tr>
<td>Res. C-10</td>
<td>Adopt Resolution Authorizing City Manager to Execute Amendment No. 4 to Contract with Cintas Corporation No. 3, of Stockton, for Rental and Cleaning of Uniforms for Certain Field and Warehouse Employees ($80,000) (PW)</td>
</tr>
<tr>
<td>C-11</td>
<td>Accept Improvements Under Contract for Police Station Sanitary Sewer Lift Station Improvements (PW)</td>
</tr>
<tr>
<td>Res. C-12</td>
<td>Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement for Vending and Supply-Chain Automation Services with Elite Supply Source, Inc., of Sacramento ($120,000) and Third Party Waiver with UniFi Equipment Finance, Inc., of Ann Arbor, Michigan (EU)</td>
</tr>
<tr>
<td>Res. C-13</td>
<td>Adopt Resolution Ratifying Employment Agreement Entered into Between City Manager Stephen Schwabauer and Electric Utility Director Jeffrey D. Berkheimer (CM)</td>
</tr>
<tr>
<td>Res. C-14</td>
<td>Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Sierra Geotech, of Rocklin, for Construction Testing and Inspection Services for Lockeford Street Improvement Project ($50,000) (PW)</td>
</tr>
<tr>
<td>Res. C-15</td>
<td>Adopt Resolution Authorizing City Manager to Waive Bid Process and Execute Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for White Slough Water Pollution Control Facility Secondary Control Room Roof Replacement Project ($39,584), Utilizing U.S. Communities Contract No. 14-5903 (PW)</td>
</tr>
<tr>
<td>Res. C-16</td>
<td>Adopt Resolution Authorizing City Manager to Execute Amendment No. 2 to Professional Services Agreement with Communications Strategies, of Sebastopol, for Project Oversight and Management Support of Phone and Communication Platform Deployment ($45,622.50) (CM)</td>
</tr>
<tr>
<td>Res. C-17</td>
<td>Adopt Resolution Authorizing City Manager to Execute Improvement Deferral Agreement for 927 Industrial Way (PW)</td>
</tr>
<tr>
<td>Res. C-18</td>
<td>Adopt Resolution Approving Final Map and Authorizing City Manager to Execute Improvement Agreement for Vineyard Terrace Subdivision, Unit No. 1, Tract No. 3986 (PW)</td>
</tr>
<tr>
<td>Res. C-19</td>
<td>Adopt Resolution Authorizing City Manager to Execute Amended Joint Powers Agreement with California Transit Indemnity Pool (PW)</td>
</tr>
<tr>
<td>Res. C-20</td>
<td>Adopt Resolution Authorizing City Manager to Execute Three-Year Agreement Plus Two One-Year Options with Kronos, Inc., of Lowell, Massachusetts, for Cloud-Based Time Management and Scheduling Software (Not to Exceed $51,280) (FD)</td>
</tr>
<tr>
<td>Res. C-21</td>
<td>Adopt Resolution Authorizing City Manager to File Claim for Fiscal Year 2018/19 Transportation Development Act Funds from Local Transportation Fund ($3,236,326) and State Transit Assistance Fund ($26,863) (PW)</td>
</tr>
<tr>
<td>Res. C-22</td>
<td>Adopt Resolution Authorizing Police Chief to Accept Grant and Execute Contract Administered by Department of Alcoholic Beverage Control and Appropriate Funds ($41,601) (PD)</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
</tr>
<tr>
<td>C-23</td>
<td>Receive Report Regarding Communication Pertaining to San Joaquin Regional Rail Commission’s Fiscal Year 2019 BUILD Grant Application for Stockton Diamond Grade Separation (CLK)</td>
</tr>
<tr>
<td>C-24</td>
<td>Appoint Richard Seim and Pam Williams to Library Board of Trustees and Robert N. Anderson to Lodi Senior Citizens Commission (CLK)</td>
</tr>
<tr>
<td>C-25</td>
<td>Accept Monthly Protocol Account Report Through June 30, 2019 (CLK)</td>
</tr>
<tr>
<td>Res. C-27</td>
<td>Adopt Resolutions Approving Applications for Statewide Park Development and Community Revitalization Program Grant Funds for Hale Park Community Heritage Project and Blakely Park Aquatics Expansion Project (PRCS)</td>
</tr>
</tbody>
</table>

**D. Comments by the Public on Non-Agenda Items**

THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.

Public comment may only be made on matters within the Lodi City Council's jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3l). The Council cannot take action or deliberate on items that are not on this agenda unless there is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

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

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

**G. Public Hearings**

| Res. G-1 | Public Hearing to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (PW) |

**H. Regular Calendar**

| Res. H-1 | Adopt Resolution Approving Memorandum of Understanding between City of Lodi and Police Officers Association of Lodi for Period July 1, 2019 through June 30, 2022 (CM) |
| Res. H-2 | Adopt Resolution Approving Memorandum of Understanding between City of Lodi and Lodi Police Mid-Management Organization for Period July 1, 2019 through June 30, 2022 (CM) |
| Res. H-3 | Adopt Resolution Approving Impact Mitigation Fee Program Annual Report for Fiscal Year 2017/18; Approving Loan Terms for Loan from Water Impact Mitigation Fee Fund to Fire Impact Mitigation Fee Fund; Approving Use of Proceeds from Sale from 705 East Lodi Avenue to Repay Interfund Loan from Water Impact Fee to Fire Impact Fee; Approving Waiving of Interest Accrued through June 30, 2015; and Introduce Ordinance Rescinding Section 15.64.030C of Lodi Municipal Code (CM) |
| Res. H-4 | Adopt Resolution Approving DeBenedetti Park Master Plan (PRCS) |
I. Ordinances

Ord. I-1  Adopt Ordinance No. 1962 Entitled, “An Ordinance of the City Council of the City of Lodi Levyng and Apportioning the Special Tax in Territory Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8)” (CLK)

J. Adjournment

Pursuant to Section 54954.2(a) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day.

Jennifer M. Ferraiolo
City Clerk
AGENDA TITLE: American Legion Centennial Proclamation

MEETING DATE: July 17, 2019

PREPARED BY: City Clerk

RECOMMENDED ACTION: Mayor Chandler will present a proclamation in honor of the American Legion centennial.

BACKGROUND INFORMATION: The Mayor has been requested to present a proclamation in honor of the American Legion celebrating its centennial in 2019. A representative from the Lodi American Legion Post 22 will be present at the meeting to accept the proclamation.

The American Legion was chartered and incorporated by Congress in 1919 as a patriotic veterans organization devoted to mutual helpfulness. Lodi Post 22 has fulfilled the Legion's mission since December 1919 through programs such as Veteran and family counseling; financial, medical, and psychological assistance to Veterans and their families; public programs that emphasize Americanism and patriotism; presentation of Military Honors to comfort the families of deceased Veterans; and provision of fellowship to Veterans of all services and eras.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

APPROVED: ____________________________
Stephen Schwabauer, City Manager
AGENDA TITLE: Presentation of Proclamation Proclaiming Tuesday, August 6, 2019, as “National Night Out”

MEETING DATE: July 17, 2019

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Presentation of proclamation proclaiming Tuesday, August 6, 2019, as “National Night Out.”

BACKGROUND INFORMATION: The City of Lodi Police Department established the Neighborhood Watch Program in 1985. Police officers were specially trained to conduct Neighborhood Watch Meetings to provide crime prevention information and develop partnerships within the community. This year we celebrate 35 years of Lodi Neighborhood Watch with approximately 100 active and organized neighborhoods.

In 1988, Lodi joined the National Association of Town Watch and began taking part in National Night Out. Thousands of communities and hundreds of thousands of citizens participate in National Night Out each year. Neighborhood Watch is a critical component in our ability to succeed in addressing crime issues within our local community. It is important that the citizens of Lodi are aware of the impact their individual and group participation has on reducing crime in Lodi.

Funds for handouts, badge stickers, and other promotional products for each group are funded by Lodi Police Crime Prevention, the City of Lodi, and other donations. Staff will be visiting Neighborhood Watch groups to reinforce the importance of Neighborhood Watch and demonstrate our commitment to the partnerships within our community. In 2018, there were approximately 100 groups that participated in National Night Out. This year, we anticipate over 100 Neighborhood Watch groups will take part in the 2019 National Night Out against crime.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

______________________________
Tod Patterson
Chief of Police

______________________________
Stephen Schwabauer, City Manager
AGENDA TITLE: Presentation of Proclamation Proclaiming Tuesday, August 6, 2019, as “National Night Out”

MEETING DATE: July 17, 2019

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Presentation of proclamation proclaiming Tuesday, August 6, 2019, as “National Night Out.”

BACKGROUND INFORMATION: The City of Lodi Police Department established the Neighborhood Watch Program in 1985. Police officers were specially trained to conduct Neighborhood Watch Meetings to provide crime prevention information and develop partnerships within the community. This year we celebrate 35 years of Lodi Neighborhood Watch with approximately 100 active and organized neighborhoods.

In 1988, Lodi joined the National Association of Town Watch and began taking part in National Night Out. Thousands of communities and hundreds of thousands of citizens participate in National Night Out each year. Neighborhood Watch is a critical component in our ability to succeed in addressing crime issues within our local community. It is important that the citizens of Lodi are aware of the impact their individual and group participation has on reducing crime in Lodi.

Funds for handouts, badge stickers, and other promotional products for each group are funded by Lodi Police Crime Prevention, the City of Lodi, and other donations. Staff will be visiting Neighborhood Watch groups to reinforce the importance of Neighborhood Watch and demonstrate our commitment to the partnerships within our community. In 2018, there were approximately 100 groups that participated in National Night Out. This year, we anticipate over 100 Neighborhood Watch groups will take part in the 2019 National Night Out against crime.

FISCAL IMPACT: None.

FUNDING AVAILABLE: Not applicable.

______________________________
Tod Patterson
Chief of Police

______________________________
APPROVED: _______________________
Stephen Schwabauer, City Manager
AGENDA ITEM C-01

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Receive Register of Claims for May 24, 2019 through June 21, 2019 in the Total Amount of $6,869,146.94

MEETING DATE: July 17, 2019

PREPARED BY: Internal Services Director

RECOMMENDED ACTION: Receive the attached Register of Claims for $6,869,146.94.

BACKGROUND INFORMATION: Attached is the Register of Claims in the amount of $6,869,146.94 for May 24, 2019 through June 21, 2019. Also attached is Payroll in the amount of $1,440,457.09 through June 2, 2019 and $1,445,861.92 through June 16, 2019. This report covers two pay periods and one month of claims.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: As per attached report.

Andrew Keys
Internal Services Director

APPROVED: ________________________________

Stephen Schwabauer, City Manager
<table>
<thead>
<tr>
<th>Fund</th>
<th>Fund Title</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>General Fund</td>
<td>$2,288,812.97</td>
</tr>
<tr>
<td>103</td>
<td>Measure L Fund</td>
<td>$21,563.24</td>
</tr>
<tr>
<td>120</td>
<td>Library Fund</td>
<td>$14,937.60</td>
</tr>
<tr>
<td>140</td>
<td>Expendable Trust</td>
<td>$1,044,736.98</td>
</tr>
<tr>
<td>200</td>
<td>Parks Rec &amp; Cultural Services</td>
<td>$68,070.70</td>
</tr>
<tr>
<td>205</td>
<td>Boating &amp; Waterways Grant</td>
<td>$13,789.47</td>
</tr>
<tr>
<td>213</td>
<td>LPD-Public Safety Program AB1913</td>
<td>$21,635.01</td>
</tr>
<tr>
<td>216</td>
<td>PD Misc Grants</td>
<td>$6,386.75</td>
</tr>
<tr>
<td>219</td>
<td>ABC Grant</td>
<td>$650.00</td>
</tr>
<tr>
<td>270</td>
<td>Comm Dev Special Rev Fund</td>
<td>$31,879.54</td>
</tr>
<tr>
<td>301</td>
<td>Gas Tax-2105 2106 2107</td>
<td>$51,576.42</td>
</tr>
<tr>
<td>303</td>
<td>Measure K Funds</td>
<td>$1,525.00</td>
</tr>
<tr>
<td>305</td>
<td>TDA - Streets</td>
<td>$44,722.46</td>
</tr>
<tr>
<td>307</td>
<td>Federal - Streets</td>
<td>$562,027.94</td>
</tr>
<tr>
<td>308</td>
<td>IMF(Regional) Streets</td>
<td>$3,224.47</td>
</tr>
<tr>
<td>350</td>
<td>H U D</td>
<td>$147,607.50</td>
</tr>
<tr>
<td>431</td>
<td>Capital Outlay/General Fund</td>
<td>$20,627.05</td>
</tr>
<tr>
<td>432</td>
<td>Parks &amp; Rec Capital</td>
<td>$10,760.00</td>
</tr>
<tr>
<td>437</td>
<td>IMF Parks &amp; Rec Facilities</td>
<td>$14,699.64</td>
</tr>
<tr>
<td>500</td>
<td>Electric Utility Fund</td>
<td>$226,462.97</td>
</tr>
<tr>
<td>501</td>
<td>Utility Outlay Reserve Fund</td>
<td>$92,907.18</td>
</tr>
<tr>
<td>504</td>
<td>Public Benefits Fund</td>
<td>$32,170.00</td>
</tr>
<tr>
<td>530</td>
<td>Waste Water Utility Fund</td>
<td>$256,169.31</td>
</tr>
<tr>
<td>531</td>
<td>Waste Wtr Util-Capital Outlay</td>
<td>$396,221.16</td>
</tr>
<tr>
<td>560</td>
<td>Water Utility Fund</td>
<td>$67,484.18</td>
</tr>
<tr>
<td>561</td>
<td>Water Utility-Capital Outlay</td>
<td>$114,722.36</td>
</tr>
<tr>
<td>565</td>
<td>PCE/TCE Rate Abatement Fund</td>
<td>$1,980.00</td>
</tr>
<tr>
<td>590</td>
<td>Central Plume</td>
<td>$11,414.56</td>
</tr>
<tr>
<td>591</td>
<td>Southern Plume</td>
<td>$5,120.00</td>
</tr>
<tr>
<td>600</td>
<td>Dial-a-Ride/Transportation</td>
<td>$340,227.62</td>
</tr>
<tr>
<td>601</td>
<td>Transit Capital</td>
<td>$14,599.26</td>
</tr>
<tr>
<td>602</td>
<td>Transit-Prop. 1B - PTMISEA</td>
<td>$76,193.80</td>
</tr>
<tr>
<td>603</td>
<td>Prop 1B - TSSSDRA</td>
<td>$32,089.24</td>
</tr>
<tr>
<td>650</td>
<td>Internal Service/Equip Maint</td>
<td>$132,495.66</td>
</tr>
<tr>
<td>655</td>
<td>Employee Benefits</td>
<td>$680,142.35</td>
</tr>
<tr>
<td>660</td>
<td>General Liabilities</td>
<td>$1,439.70</td>
</tr>
<tr>
<td>665</td>
<td>Worker's Comp Insurance</td>
<td>$11,932.17</td>
</tr>
<tr>
<td>801</td>
<td>L&amp;L Dist Z1-Almond Estates</td>
<td>$6,142.68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$6,869,146.94</strong></td>
</tr>
</tbody>
</table>
## Council Report: Payroll
**City of Lodi, CA - v11.3.16 Live**
**Pay Period 6/2/2019**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>General Fund</td>
<td>$794,865.22</td>
</tr>
<tr>
<td>103</td>
<td>Measure L Fund</td>
<td>$51,466.13</td>
</tr>
<tr>
<td>120</td>
<td>Library Fund</td>
<td>$20,377.77</td>
</tr>
<tr>
<td>200</td>
<td>Parks Rec &amp; Cultural Services</td>
<td>$132,506.57</td>
</tr>
<tr>
<td>214</td>
<td>LPD-OTS Grants</td>
<td>$1,437.93</td>
</tr>
<tr>
<td>219</td>
<td>LPD-ABC Grant</td>
<td>$707.96</td>
</tr>
<tr>
<td>270</td>
<td>Comm Dev Special Rev Fund</td>
<td>$31,561.84</td>
</tr>
<tr>
<td>301</td>
<td>Gas Tax-2105 2106 2107</td>
<td>$28,481.56</td>
</tr>
<tr>
<td>500</td>
<td>Electric Utility Fund</td>
<td>$193,764.90</td>
</tr>
<tr>
<td>530</td>
<td>Waste Water Utility Fund</td>
<td>$135,706.60</td>
</tr>
<tr>
<td>560</td>
<td>Water Utility Fund</td>
<td>$19,895.00</td>
</tr>
<tr>
<td>600</td>
<td>Dial-a-Ride/Transportation</td>
<td>$9,691.50</td>
</tr>
<tr>
<td>650</td>
<td>Internal Service/Equip Maint</td>
<td>$19,749.86</td>
</tr>
<tr>
<td><strong>Report Total</strong></td>
<td><strong>$1,440,457.09</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Council Report: Payroll
City of Lodi, CA - v11.3.16 Live
Pay Period 6/16/2019

<table>
<thead>
<tr>
<th>Fund</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>General Fund</td>
<td>$774,016.95</td>
</tr>
<tr>
<td>103</td>
<td>Measure L Fund</td>
<td>$72,817.04</td>
</tr>
<tr>
<td>120</td>
<td>Library Fund</td>
<td>$21,018.89</td>
</tr>
<tr>
<td>200</td>
<td>Parks Rec &amp; Cultural Services</td>
<td>$133,276.26</td>
</tr>
<tr>
<td>214</td>
<td>LPD-OTS Grants</td>
<td>$1,132.84</td>
</tr>
<tr>
<td>219</td>
<td>LPD-ABC Grant</td>
<td>$2,168.25</td>
</tr>
<tr>
<td>270</td>
<td>Comm Dev Special Rev Fund</td>
<td>$24,518.00</td>
</tr>
<tr>
<td>301</td>
<td>Gas Tax-2105 2106 2107</td>
<td>$29,246.44</td>
</tr>
<tr>
<td>500</td>
<td>Electric Utility Fund</td>
<td>$198,642.11</td>
</tr>
<tr>
<td>504</td>
<td>Public Benefits Fund</td>
<td>$52.62</td>
</tr>
<tr>
<td>530</td>
<td>Waste Water Utility Fund</td>
<td>$136,655.45</td>
</tr>
<tr>
<td>560</td>
<td>Water Utility Fund</td>
<td>$22,513.17</td>
</tr>
<tr>
<td>600</td>
<td>Dial-a-Ride/Transportation</td>
<td>$9,578.11</td>
</tr>
<tr>
<td>650</td>
<td>Internal Service/Equip Maint</td>
<td>$19,981.54</td>
</tr>
<tr>
<td></td>
<td>Report Total</td>
<td>$1,445,861.92</td>
</tr>
</tbody>
</table>

---

This table lists the funds and descriptions along with their amounts for the specified pay period.
LODI CITY COUNCIL  
SHIRTSLEEVE SESSION  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, JUNE 11, 2019

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, June 11, 2019, commencing at 7:01 a.m.

Present: Council Member Mounce, Mayor Pro Tempore Kuehne, and Mayor Chandler  
Absent: Council Member Johnson, and Council Member Nakanishi  
Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Topic(s)

B-1 Lodi Electric Utility Rules and Regulations – Downtown Point of Interconnection (EU)

Senior Power Engineer Hasan Shahriar provided a PowerPoint presentation regarding Lodi Electric Utility Rules and Regulations, Rule 1, Downtown District Point of Interconnection. Specific topics of discussion included background, recap of information provided at November 27, 2018 Shirtsleeve Session, Downtown district map, current challenges of district point of interconnection, proposed changes to Rule 1, desired arrangement, need for proposed changes, public outreach and meetings, cost estimate, payment sources, and recommendation.

Council Member Mounce concurred there is a significant problem downtown with points of interconnection and the City cannot ignore the problem or delay it into the future; however, the cost to business owners to correct these issues would be so significant that it could put many of them out of business. She fears that Lodi will become like the State, forcing mandates on business owners that are so onerous they can no longer afford to do business in Lodi. She would prefer to see the cost spread out over 20 years so it can more easily be absorbed. In response to Council Member Mounce, Mr. Shahriar confirmed that if the cost were borne by ratepayers, it would equate to $1 per month for five years. With regard to a potential improvement district, Council Member Mounce stated that the business owners and property owners in the downtown area are on polar opposites of the spectrum. A majority of the property owners are aging and do not see the value of downtown, and other property owners inherited the property and do not care about the area; whereas, hardworking business owners are trying to create something wonderful for downtown Lodi and for themselves. If there is an improvement district, she would like a mechanism in place that if a property is sold, the cost is passed along to the next owner and that there be an amortization schedule to push the cost out over time so that it is affordable.

Mayor Pro Tempore Kuehne stated he was opposed to passing the cost onto ratepayers. In looking at the downtown district map, he pointed out there are many businesses that have or will soon be bringing their properties into compliance, which leaves a smaller number of properties, roughly half of the district, that need to be brought into conformity. He stated that, if the onus is on the property owner, they should have a set timeframe to bring their properties into compliance. City Manager Schwabauer stated that currently there is no mechanism requiring property owners to bring their properties into compliance by a certain date. Staff is looking to revise the ordinance to require property owners to bring their properties up to modern standards. One option is to require improvements if a major remodel is done on a property. Mayor Pro Tempore Kuehne stated it should also require it be done by a certain date, and he suggested 15 years, which would give the City another five years to deal with those owners who do not bring their properties into compliance by the deadline.

Council Member Mounce expressed concern that property owners could prevent their renters from making improvements to a building because it might trigger the required upgrades, which in turn could cause property owners to raise rents so significantly that it could hurt business owners. She stated she does not disagree with the idea, but she wants to protect the business owners who rent these properties. Mr. Schwabauer suggested a financing mechanism could be created in the form of an agreement between the landlord and tenant setting forth who would be responsible for the costs.
Council Member Mounce suggested there should also be a mechanism, similar to the water meters, that states if the cost is not paid, it goes with the property.

In response to Mayor Chandler, Interim Electric Utility Director Melissa Price stated it takes too many staff resources to do a property-by-property analysis of the cost obligation and it would require assistance from outside electricians to establish the cost from the electrical panel to the business, which is the portion Electric Utility does not handle. Mr. Schwabauer added that such an estimate would be meaningless to a business that chooses to make the improvements five to ten years from now.

Ms. Price provided a recap that staff's recommendation is to require downtown property owners to make electrical improvements if there is a service lateral failure or when there is a major renovation project or within 20 years. Staff is amenable to shortening the time period to 15 years as suggested earlier. She added that the Business Development Manager will also meet with any property owner that has challenges meeting compliance to see if there are any other funding or grant sources that could help off-set costs.

Mayor Chandler agreed with Mayor Pro Tempore Kuehne's suggestion of making the deadline 15 years versus 20 years, based on the photographs that clearly demonstrate a public safety concern. He further supports any assistance the City can provide that can put property owners in touch with resources to help off-set costs.

Council Member Mounce suggested staff look into whether grants may be available for the downtown if any portion is determined to be a historical district, to which Mr. Schwabauer responded that the Business Development Manager will look into the possibility. Council Member Mounce stated there may be property owners who will refuse to make the improvements, but the City could make a more attractive deal that says if they make them within a year, they have a lower amortization or interest rate versus waiting longer.

Mayor Pro Tempore Kuehne stated he believes the sale of a property should include compliance, and Council Member Mounce agreed, stating the bill should be paid in full when the property transfers.

Mayor Chandler questioned the definition of performance parameters for properties that are already up to code. Mr. Schwabauer responded that it would include anything that has a service lateral that provides service by accessing another building or is not accessible from a public right-of-way. City Attorney Magdich added that, based on Council discussion, improvements would also be required if the service lateral fails, there is a major renovation to the building, and within 15 years. With regard to change of ownership, she requested clarification on what the trigger would be; i.e. sale, transfer, etc.

Following discussion, it was determined that change of ownership should be the commercial sale of the property.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:40 a.m.

ATTEST:

Jennifer M. Ferraiolo
City Clerk
The June 18, 2019, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk
C-1 Call to Order / Roll Call

The City Council Closed Session meeting of June 19, 2019, was called to order by Mayor Pro Tempore Kuehne at 6:01 p.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Absent: Mayor Chandler
Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

C-2 Announcement of Closed Session


b) Prospective Lease(s) of Certain Parcels of Real Property Known as: (a) Downtown Parking Garage (APN 043-03-707); (b) Pixley Park (APN 049-31-085); (c) Approximately 2.45 Acres within Existing City of Lodi Right-of-Way at West Termination of Century Boulevard East of Union Pacific Railroad (UPRR) Line and West of Stockton Street (as Shown in Assessor’s Parcel Book 062, Page 28); and (d) Approximately 2.15 Acres of Century Park at East Termination of Century Boulevard West of UPRR Line (as Shown in Assessor’s Parcel Book 062, Page 22). Discussion of Terms and Conditions. Government Code §54956.8. (CA/EU)

C-3 Adjourn to Closed Session

At 6:01 p.m., Mayor Pro Tempore Kuehne adjourned the meeting to a Closed Session to discuss the above matters. The Closed Session adjourned at 6:48 p.m.

C-4 Return to Open Session / Disclosure of Action

At 7:02 p.m., Mayor Pro Tempore Kuehne reconvened the City Council meeting, and City Attorney Magdich disclosed the following actions.

Items C-2a) and C-2b) were discussion and direction given with no reportable action.

A. Call to Order / Roll Call

The Regular City Council meeting of June 19, 2019, was called to order by Mayor Pro Tempore Kuehne at 7:02 p.m.

Present: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Absent: Mayor Chandler
Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Presentations
B-1 A&W Restaurant 100th Anniversary Certificate of Recognition (CLK)

Mayor Pro Tempore Kuehne presented a Certificate of Recognition in honor of A&W Restaurant's 100th Anniversary to owners Annette, Peter, and Bryan Knight, along with the A&W mascot, Rooty. Mr. Knight invited the public to attend its anniversary celebration on June 21, 2019, during which the restaurant will give out 500 cupcakes, as well as goodies and free raffle tickets for prizes.

B-2 Parks Make Life Better Month Proclamation (PRCS)

Mayor Pro Tempore Kuehne presented a proclamation to Parks, Recreation and Cultural Services Director Jeff Hood proclaiming July 2019 as Parks Make Life Better Month in the City of Lodi. Mr. Hood announced that this year's theme is "Game On" and presented Council with a calendar of special events taking place during July (filed), including the Fourth of July fireworks show, music in the parks, and Celebrate America. The Department is also holding a contest where citizens can post pictures taken in Lodi parks on Instagram. The winner, chosen at random, will receive a free boat ride on the Mokelumne River with family and friends.

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

Council Member Mounce made a motion, second by Council Member Nakanishi, to approve the following items hereinafter set forth, _except those otherwise noted_, in accordance with the report and recommendation of the City Manager.

**VOTE:**

The above motion carried by the following vote:

_Ayes:_ Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne

_Noes:_ None

_Absent:_ Mayor Chandler

C-1 Receive Register of Claims for May 10, 2019 through May 23, 2019 in the Amount of $2,045,285.77 (FIN)

Claims were approved in the amount of $2,045,285.77.

C-2 Approve Minutes (CLK)

The minutes of June 4, 2019 (Shirtsleeve Session) and June 5, 2019 (Regular Meeting) were approved as written.

C-3 Accept Quarterly Report of Purchases between $10,000 and $20,000 (CM)

Accepted Quarterly Report of Purchases between $10,000 and $20,000.

C-4 Accept Quarterly Investment Report as Required by City of Lodi Investment Policy (CM)

Accepted Quarterly Investment Report as required by City of Lodi Investment Policy.

C-5 Approve Plans and Specifications and Authorize Advertisement for Bids for Westgate Drive Street Improvement Project; Adopt Resolution Authorizing City Manager to Award Contract for Westgate Drive Street Improvement Project to Lowest Responsive Bidder ($100,000); Authorizing City Manager to Execute Change Orders ($10,000); and Appropriating Funds ($100,000) (PW)

Approved plans and specifications and authorized advertisement for bids for Westgate Drive Street Improvement Project; adopted Resolution No. 2019-96 authorizing the City Manager to award the contract for Westgate Drive Street Improvement Project to the lowest responsive
bidder, in an amount not to exceed $100,000; authorizing the City Manager to execute change orders, in an amount not to exceed $10,000; and appropriating funds in the amount of $100,000.

C-6  Adopt Resolution Authorizing City Manager to Waive Bid Process and Purchase One John Deere 310SL HL Backhoe Loader from Pape Machinery, Inc., of Eugene, Oregon, Utilizing Competitively-Bid Sourcewell Contract No. 032515-JDC ($119,741) (PW)

Adopted Resolution No. 2019-97 authorizing the City Manager to waive the bid process and purchase one John Deere 310SL HL backhoe loader from Pape Machinery, Inc., of Eugene, Oregon, utilizing the competitively-bid Sourcewell Contract No. 032515-JDC, in the amount of $119,741.

C-7  Adopt Resolution Rejecting Lowest Bid and Awarding Contract for Lodi Fire Station No. 1 Kitchen Remodel Project to Sauren Construction and Electric, of Elk Grove ($63,727) and Authorizing City Manager to Execute Change Orders ($12,500) (PW)

Adopted Resolution No. 2019-98 rejecting the lowest bid and awarding the contract for Lodi Fire Station No. 1 Kitchen Remodel Project to Sauren Construction and Electric, of Elk Grove, in the amount of $63,727 and authorizing the City Manager to execute change orders, in an amount not to exceed $12,500.

C-8  Adopt Resolution Awarding Contract for 2018/2019 Pavement Resurfacing Project to American Pavement Systems, Inc., of Modesto ($577,550), Authorizing City Manager to Execute Change Orders ($422,450), and Appropriating Funds ($1,000,000) (PW)

Adopted Resolution No. 2019-99 awarding the contract for 2018/2019 Pavement Resurfacing Project to American Pavement Systems, Inc., of Modesto, in the amount of $577,550; authorizing the City Manager to execute change orders, in an amount not to exceed $422,450; and appropriating funds, in the amount of $1,000,000.

C-9  Adopt Resolution Awarding Contract for Candy Cane Park – 2019 Improvements to A. M. Stephens Construction Company, Inc., of Lodi ($347,600), Authorizing City Manager to Execute Change Orders ($102,400), and Appropriating Funds ($322,000) (PW)

This item was removed from the Consent Calendar at the request of Council Members Mounce and Nakanishi for discussion purposes.

Council Member Mounce expressed excitement that this project is moving forward, stating the neighbors have been looking forward to the renovation of this park for a long time. Last year she promised area residents that, if Measure L passed, this would be the first park improved with the funds, and she was glad to see this coming to fruition. She thanked Lori and Dan Otterbeck for their continued efforts in support of this project; Parks, Recreation, and Cultural Services Director Jeff Hood, City Manager Schwabauer, and Public Works Director Charlie Swimley for moving this project along, and resident Myrna Wetzel who protested in front of the park for almost two years in support of this project.

In response to Council Member Nakanishi, City Manager Schwabauer stated the project cost, as stated in the Council resolution, is $347,600; however, staff will be working with the contractor on value engineering to hopefully bring the cost down as the project moves forward. The project is being funded from Measure L money, but there may be some spillover of other accounts by completion of the project. The main point is that the Candy Cane Park improvements would not have been possible without Measure L because there was no money in the budget to accomplish it. Council Member Nakanishi stated many citizens complained that Measure L would go toward pensions, but the City is using it to improve community parks.

Council Member Mounce made a motion, second by Council Member Johnson, to adopt Resolution No. 2019-112 awarding the contract for Candy Cane Park – 2019 Improvements to A. M. Stephens Construction Company, Inc., of Lodi, in the amount of $347,600, authorizing the
City Manager to execute change orders in an amount not to exceed $102,400, and appropriating funds in the amount of $322,000.

**VOTE:**
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

C-10 **Adopt Resolution Awarding Contract for Citywide Bike Lane Improvement Project to Centerline Striping Company, of Elk Grove ($59,573), and Authorizing City Manager to Execute Change Orders ($10,000) (PW)**

Adopted Resolution No. 2019-100 awarding the contract for Citywide Bike Lane Improvement Project to Centerline Striping Company, of Elk Grove, in the amount of $59,573; and authorizing the City Manager to execute change orders, in an amount not to exceed $10,000.

C-11 **Adopt Resolution Awarding Contract for 2019-2021 Standby Generators Maintenance, Repair, and Rental to Holt of California, of Pleasant Grove ($495,895), and Authorizing City Manager to Execute Change Orders ($100,000) (PW)**

Adopted Resolution No. 2019-101 awarding the contract for 2019-2021 Standby Generators Maintenance, Repair, and Rental to Holt of California, of Pleasant Grove, in the amount of $495,895; and authorizing the City Manager to execute change orders, in an amount not to exceed $100,000.

C-12 **Adopt Resolution Authorizing City Manager to Execute Contracts for Fiscal Year 2019/20 with United Cerebral Palsy of San Joaquin, Amador, and Calaveras Counties, of Stockton, for Downtown Cleaning ($70,600), Transit Facility Cleaning ($55,123), and Hutchins Street Square Landscape Maintenance ($20,796) (PW)**

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

In response to Council Member Nakanishi, Public Works Director Charlie Swimley stated that United Cerebral Palsy of San Joaquin, Amador, and Calaveras Counties (UCP) has been cleaning various areas of the community since 2000. Further, City Manager Schwabauer explained that UCP charges the City an hourly rate for a group of employees who are employed by UCP and have cerebral palsy. UCP brings in a worksite supervisor to ensure employees are safe, they accomplish and achieve their mission, and employees are paid a wage. This program employs individuals who would otherwise be unemployed, and the cost includes the job coach and all materials.

Council Member Mounce stated she often interacts with UCP employees who work downtown, stating they are the nicest individuals who take great pride in the work they do. She added this is an incredibly uplifting and positive program.

Council Member Johnson echoed Council Member Mounce’s comments, stating the individuals who work the downtown area are incredibly happy and extremely meticulous in the work they perform.

Council Member Mounce made a motion, second by Council Member Johnson, to adopt Resolution No. 2019-113 authorizing the City Manager to execute contracts for Fiscal Year 2019/20 with United Cerebral Palsy of San Joaquin, Amador, and Calaveras Counties, of Stockton, for downtown cleaning in the amount of $70,600, Transit facility cleaning in the amount of $55,123, and Hutchins Street Square landscape maintenance in the amount of $20,796.
The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

C-13 Adopt Resolution Authorizing City Manager to Execute Change Order No. 2 for Granular Activated Carbon Replacement, Well No. 4R and Well No. 22 ($43,048) (PW)

Adopted Resolution No. 2019-102 authorizing the City Manager to execute Change Order No. 2 for Granular Activated Carbon Replacement, Well No. 4R and Well No. 22, in the amount of $43,048.

C-14 Accept Improvements Under Contract for 2018 GrapeLine Bus Stop Accessibility and Shelter Improvements Project (PW)

Accepted improvements under contract for 2018 GrapeLine Bus Stop Accessibility and Shelter Improvements Project.

C-15 Accept Improvements Under Contract for Blakely Park – North Pool Improvements (PW)

This item was removed from the Consent Calendar at the request of Council Member Mounce for comment.

Council Member Mounce stated she was extremely pleased the pool is finished; it looks great; and this project invested more funding toward improving the east side.

Council Member Mounce made a motion, second by Council Member Johnson, to accept improvements under contract for Blakely Park – North Pool Improvements.

The above motion carried by the following vote:

Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

C-16 Accept Improvements Under Contract for Wastewater Main Rehabilitation Program, Project No. 7 (PW)

Accepted improvements under contract for Wastewater Main Rehabilitation Program, Project No. 7.

C-17 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Telstar Instruments, of Concord, for Supervisory Control and Data Acquisition and Instrumentation, Maintenance, and Integration Services ($120,000) (PW)

Adopted Resolution No. 2019-103 authorizing the City Manager to execute a Professional Services Agreement with Telstar Instruments, of Concord, for Supervisory Control and Data Acquisition and instrumentation, maintenance, and integration services, in the amount of $120,000.

C-18 Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement for Outage Management System and Interactive Voice Response Software and Service with MilSoft Utility Solutions, of Abilene, Texas ($170,600) (EU)
Adopted Resolution No. 2019-104 authorizing the City Manager to execute a Professional Services Agreement for outage management system and interactive voice response software and service with MilSoft Utility Solutions, of Abilene, Texas, in the amount of $170,600.

C-19  Adopt Resolution Authorizing City Manager to Execute Amendment No. 2 to Professional Services Agreement with Harris and Associates, Inc., of Tracy, for 2017 Impact Mitigation Fee Program Update ($10,000) (PW)

Adopted Resolution No. 2019-105 authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Harris and Associates, Inc., of Tracy, for 2017 Impact Mitigation Fee Program update, in the amount of $10,000.

C-20  Adopt Resolution Authorizing City Manager to Execute Confirmation under Support Services Program Agreement with Northern California Power Agency for Engineering Services for Northern San Joaquin Transmission 230kV Project ($236,740) (EU)

Adopted Resolution No. 2019-106 authorizing the City Manager to execute Confirmation under Support Services Program Agreement with Northern California Power Agency for engineering services for Northern San Joaquin Transmission 230kV project, in the amount of $236,740.

C-21  Adopt Resolution Approving Annual Shared Automation Fee Structure for Agreement between City of Stockton and Sirsi Corporation Integrated Library System, and Approving Cost Sharing Fee for Fiscal Year 2018/19 ($25,105) (LIB)

Adopted Resolution No. 2019-107 approving annual shared automation fee structure for agreement between City of Stockton and Sirsi Corporation Integrated Library System, and approving cost sharing fee for Fiscal Year 2018/19, in the amount of $25,105.

C-22  Adopt Resolution Authorizing City Manager to Execute Fourth Amendment to Workers’ Compensation Self-Insurance Service Agreement with York Risk Services Group, Inc., for Period July 1, 2019 to June 30, 2020 ($132,750) (CA)

Adopted Resolution No. 2019-108 authorizing the City Manager to execute Fourth Amendment to Workers' Compensation Self-Insurance Service Agreement with York Risk Services Group, Inc., for period July 1, 2019 to June 30, 2020, in the amount of $132,750.

C-23  Adopt Resolution Approving Encroachment Permit Application from Stanley Jacks dba Dogs on the Run to Operate Hot Dog Cart in Post Office Plaza, Located at Southeast Corner of School Street and Oak Street (PW)

Adopted Resolution No. 2019-109 approving encroachment permit application from Stanley Jacks dba Dogs on the Run to operate a hot dog cart in Post Office Plaza, located at southeast corner of School Street and Oak Street.

C-24  Adopt Resolution Authorizing Workers’ Compensation Coverage for Off-Duty Peace Officers Injured Out of State Pursuant to Labor Code Section 3600.2 (CA)

Adopted Resolution No. 2019-110 authorizing workers' compensation coverage for off-duty peace officers injured out of state pursuant to Labor Code Section 3600.2.

C-25  Adopt Resolution Approving Revised Normal Retirement Age in Deferred Compensation Plan Documents for Mass Mutual (CM)


C-26  Adopt Resolution Amending Traffic Resolution No. 97-148 by Approving 35 Miles-Per-Hour Speed Limit on Vine Street, from Beckman Road to Guild Avenue (PW)
This item was removed from the Consent Calendar by Council Member Nakanishi for discussion purposes.

In response to Council Member Nakanishi, Public Works Director Charlie Swimley stated there currently is no speed limit posted in this area and in response to complaints received by the Lodi Police Department, Public Works performed a speed survey to establish an appropriate speed limit for this portion of the street.

Council Member Mounce expressed concern that 35 miles per hour is too fast for a residential neighborhood. Mayor Pro Tempore Kuehne reminded this is a commercial area.

Council Member Nakanishi made a motion, second by Council Member Johnson, to adopt Resolution No. 2019-114 amending Traffic Resolution No. 97-148 by approving a 35 miles-per-hour speed limit on Vine Street, from Beckman Road to Guild Avenue.

**VOTE:**
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

C-27  **Adopt Resolution Amending Traffic Resolution No. 97-148 by Designating Interlaken Drive, from Vine Street to Brittany Lane, as a Through Street and Approving Two-Way Stop Controls at Interlaken Drive and Grenoble Court Intersection and at Interlaken Drive and Brittany Court Intersection (PW)**

This item was removed from the Consent Calendar by Council Member Johnson for discussion purposes.

Council Member Johnson stated that, later on the agenda, there is an item to approve an in-fill subdivision project just south of Interlaken Drive and Brittany Lane. Assuming the development project passes, he questioned if there will be additional traffic controls in the new subdivision on Interlaken Drive because that may be too much. Public Works Director Charlie Swimley responded that at this time staff is not considering traffic control devices at the two cul-de-sacs. He explained that the two recommended stop controls in this action were overlooked when the Sunwest subdivision was originally approved; Interlaken Drive should have been designated as a through street. He reiterated that the City is not considering additional traffic controls in the new subdivision.

Council Member Johnson made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2019-115 amending Traffic Resolution No. 97-148 by designating Interlaken Drive, from Vine Street to Brittany Lane, as a through street and approving two-way stop controls at Interlaken Drive and Grenoble Court intersection and at Interlaken Drive and Brittany Court intersection.

**VOTE:**
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

D. **Comments by the Public on Non-Agenda Items**

**THE TIME ALLOWED PER NON-AGENDA ITEM FOR COMMENTS MADE BY THE PUBLIC IS LIMITED TO FIVE MINUTES.**

Public comment may only be made on matters within the Lodi City Council’s jurisdiction (Government Code Section 54954.3, Lodi City Council Protocol Manual Section 6.3). The Council cannot take action or deliberate on items that are not on this agenda unless there
is an emergency and the need to take action on that emergency arose after this agenda was posted (Government Code Section 54954.2(b)(2)). All other items may only be referred for review to staff or placement on a future Council agenda.

Gordon Schmierer, Vice President of Tree Lodi, stated Lodi A&W Restaurant has been a generous partner of Tree Lodi for many years and announced it will be helping A&W with a tree planting in honor of its 100th birthday on June 20, 2019 at 9 a.m. at Blakely Park. He invited the public to attend and is encouraged that the children from the Lodi Boys and Girls Club may also join the festivities. Further, he expressed appreciation for the long, positive relationship Tree Lodi has had with the Lodi Parks, Recreation, and Cultural Services Department and for the City's assistance in putting together its largest event, Arbor Day. He and Tree Lodi members distributed Tree Lodi t-shirts to Council and staff.

Janet Hauser, member of the Lodi Garden Club, stated she volunteers roughly 12 to 15 hours a month at Lodi Lake cleaning, raking, seeding, and adding new soil to the wildflower beds and she is very proud of Lodi Lake. She is frustrated, however, that the City is not pruning back the trees, there are branches everywhere that make it difficult for individuals in wheelchairs to maneuver through the park, and the weeds need to be edged around the flower beds, drinking fountain, and around the entrance. She feels there is not enough help at the Lake, which should be well maintained because it is the jewel of the community.

Mayor Pro Tempore Kuehne stated the information will be passed along to the appropriate individual to respond to her concerns.

Council Member Mounce requested the City take care of the fallen branches immediately because it should not hinder people from moving about the park. City Manager Schwabauer explained the City does not have enough employees at Lodi Lake to handle everything and staff prioritizes tasks by focusing energy on the most at-risk issues first, such as trees about to fall that could injure individuals. Picking up dead branches from the ground is a lower priority. Council Member Mounce stated she understands the constraints; however, individuals walking through the entrance of Lodi Lake through dead tree branches is also a safety issue that needs to be resolved. Parks, Recreation, and Cultural Services Director Jeff Hood stated he will ask staff to be more diligent about picking up branches. He added that the Fiscal Year 2019/20 budget recently adopted by Council includes an additional $80,000 from Measure L, over and above the $20,000 the department programmed into the budget, for tree work. Mr. Hood stated he has already spoken to the arborist, who will begin assessing the tree situation in July.

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

Council Member Nakanishi requested the City revisit the fireworks issue before next year's Fourth of July because he receives many concerns about the increase in legal and illegal fireworks in the City, the damage illegal fireworks cause to City streets, the fire dangers created by illegal fireworks displays, the effects it has on people and pets, and the minimal profit that is realized by non-profit groups who run fireworks booths. He stated he could only imagine how difficult the Fourth of July is on the Police and Fire Departments, adding that responders must work overtime to ensure the community is safe on this particular day. Lastly, he is also concerned about the increased cost of fencing for the Fourth of July activities at Lodi Lake and how those costs will be covered. He reiterated that the City Council should revisit this subject before next year's Fourth of July holiday.

City Manager Schwabauer confirmed that Lodi sees very little money from the Fourth of July fireworks sales, mostly through enforcement of illegal fireworks. Fire Chief Gene Stoddart responded that non-profit groups have made as much as $25,000 and as little as $2,500, but it depends on the location and marketing. Mr. Schwabauer agreed the issue needs to be addressed, but it is a challenging situation. Early on, the Fire Department assisted the Police Department in patrolling for illegal fireworks; however, the City ceased that practice because it became too dangerous to have unarmed firefighters in risky, mob-like situations. In addition, Council changed the ordinance so that this year, for the first time, the City can issue citations with aerial surveillance. It will not have an immediate effect that night, but it will enable the City to
F. Comments by the City Manager on Non-Agenda Items

None.

G. Public Hearings

G-1 Continue Public Hearing to July 17, 2019, to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Chandler called for the public hearing to consider adopting resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers.

City Manager Schwabauer requested Council continue the public hearing to July 17, 2019.

Council Member Johnson made a motion, second by Council Member Mounce, to continue the public hearing to July 17, 2019, to consider adopting resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers.

VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

G-2 Public Hearing to Consider Adopting Resolution Approving Planning Commission’s Recommendation to Authorize 25 Low-Density Residential Growth Management Allocations for the Bennett – Interlaken Drive Subdivision (CD)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Pro Tempore Kuehne called for the public hearing to consider adopting resolution approving the Planning Commission's recommendation to authorize 25 Low-Density Residential Growth Management Allocations for the Bennett - Interlaken Drive Subdivision.

City Planner Craig Hoffman provided a PowerPoint presentation regarding the Planning Commission's recommendation to authorize 25 Low-Density Residential Growth Management Allocations for the Bennett - Interlaken Drive Subdivision. Specific topics of discussion included vicinity map, subdivision map, population, residential permits, allocations, 2019 Growth Management Allocation balance, Growth Management Allocations for Bennett - Interlaken Drive, and recommendation.

Council Member Mounce suggested reducing the number of low-density housing allocations, to which Mr. Hoffman responded that Council reduced allocations in 2018, 2017, 2015, and 2013 and it has been on top of keeping allocations in check to ensure there are not too many on the books. He suggested it is reasonable to return in 2020 to reduce allocations again, adding it is wise to come back every couple of years to revisit the matter. He stated Lodi has a 2 percent growth rate but does not grow at that rate. Council Member Mounce stated the public is aware that Lodi has a 2 percent growth rate; however, they do not understand that if allocations are unused, they can be banked; because of that, she would support any reduction in housing
allocations. She stated she supports the layout of this project and is pleased it is an in-fill project, but there is no mixed use. She reported the Governor requested legislators present bills that will require mixed-use housing so it will no longer be suitable to continue building houses that residents with an average income of $50,000 cannot afford to buy. Bay Area workers are buying homes in Lodi, and she stated this community must begin building houses that future generations can afford to buy and live in because people are leaving this community. She asked that developers mix up projects so that, in addition to single-family homes, there is a duplex included in the mix, as well as a smaller home suitable for first-time homebuyers. She further stated there is a lot of low-density housing projects taking place, yet the east side is almost entirely medium density, which packs in multi-family homes and rental properties that increase crime and blight in that community. She suggested the housing designation on the east side be changed so that the west side of town gets its fair share of medium density as well. Mr. Hoffman stated the map for this project is appropriate and is an extension of Sunwest. If it remains vacant for another three years, he stated the Governor could require it be turned into apartments. He further stated Lodi is definitely taking advantage of a mixed use corridor by approving duplexes, town homes, in-fill projects, apartment and senior complexes, and other types of housing projects. Mr. Hoffman and City Manager Schwabauer further commented on the high cost of land, which in turn increases the prices of homes significantly.

Council Member Johnson stated he agrees with Council Member Mounce's observation, adding that Council needs to ensure the City maintains local control in determining how it grows. He pointed out there are two gated Grupe developments that front Lower Sacrament Road - one on Turner Road and another on Taylor Road - both of which have a secondary access. He stated the map of this project appears to have a similar layout of a gated community; however, it has no gate or secondary access to Lower Sacramento Road. Mr. Hoffman responded that Lower Sacramento Road is an expressway and was meant to have limited access points on the road and the concern is that there are already a number of driveways along the street. Also, Sunwest is a private, access-limited development, and adding another driveway will encourage individuals to cut through the neighborhood. Council Member Johnson stated he does not see a significant traffic issue in the area, but he is concerned that the development should be gated with a secondary access. In response, Mr. Hoffman stated the secondary accesses at the two developments mentioned earlier were meant for emergency vehicles.

Council Member Nakanishi stated residents may want the design to remain as-is and he would prefer to hear what residents in the area want before considering any changes.

Mayor Pro Tempore Kuehne opened the public hearing for public comment.

Dennis Bennett, project developer, responded that the issue of secondary access was discussed, and in everyone's opinion, including staff's, the safety factor was more important than the potential convenience of having an access. The referenced Grupe developments are gated and have twice the number of units as the proposed development, and the traffic is greater than the 25 lots in this development. He stated he believes a secondary point of ingress and egress would be a serious problem on Lower Sacramento Road and that the project should move forward as-is. Council Member Johnson stated he understands Mr. Bennett's point and that staff agrees; however, he is not certain he is convinced on the point.

Council Member Mounce suggested developers help the housing situation on the east side by rehabilitating an equal number of homes on the east side for every 10 market-priced homes they develop.

Mr. Bennett stated he is well aware of the situation on the east side; however, a number of individuals who own properties in that area have a high value, making it difficult to afford to purchase, rehabilitate, and sell the property while still making a profit. He stated he believes it is primarily Stockton, not Bay Area, residents moving to Lodi to escape the crime and get into better schools, while Manteca has become the popular location for Bay Area buyers. He further added it is almost impossible to build a home for under $400,000 unless the homes are significantly smaller. He agreed there needs to be a viable partnership to address the affordable housing
situation.

In response to Mr. Schwabauer, Mr. Hoffman explained the subdivision map was adopted by the Planning Commission, it is now before Council for approval of the Growth Management Allocations, and there were a number of people concerned about the project, yet no one appealed the project.

Public Works Director Charlie Swimley further explained that the difference between the Grupe developments referenced earlier and this development is that there are no cul-de-sacs for turnaround of emergency vehicles. The other developments have private, narrow streets, and the ability for First Responders to work in the area is very limited, which is why the secondary/emergency access on Lower Sacramento Road was added. This development configuration has roadways and cul-de-sacs with which Police and Fire are accustomed to working.

There being no further public comments, Mayor Chandler closed the public hearing.

Council Member Nakanishi made a motion, second by Mayor Pro Tempore Kuehne, to adopt Resolution No. 2019-116 approving the Planning Commission's recommendation to authorize 25 Low-Density Residential Growth Management Allocations for the Bennett - Interlaken Drive Subdivision.

VOTE:
The above motion carried by the following vote:
Ayes:    Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes:    Council Member Johnson
Absent: Mayor Chandler

G-3 Public Hearing to Consider Resolution Adopting Final Engineer’s Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2019/20; and Ordering Levy and Collection of Assessments (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Pro Tempore Kuehne called for the public hearing to consider resolution adopting Final Engineer’s Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2019/20; and ordering levy and collection of assessments.

Senior Civil Engineer Sean Nathan provided a PowerPoint presentation regarding the Final Engineer’s Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2019/20. Specific topics of discussion included Landscape Maintenance District 2003-1 zones, 2019/20 budget, and comparison of assessments.

In response to Council Member Nakanishi, Mr. Nathan stated the City is required by law to report on these figures every year and he anticipates it will take five years to decrease the reserve amount to a reasonable balance, at which time the assessments would begin to increase slowly to a reasonable amount.

Mayor Pro Tempore Kuehne opened the public hearing for public comment.

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

Council Member Mounce made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2019-117 adopting Final Engineer’s Annual Levy Report for Lodi Consolidated Landscape Maintenance Assessment District No. 2003-1, Fiscal Year 2019/20; and ordering levy and collection of assessments.

VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

G-4 Public Hearing to Receive Input and Consider Adopting Resolution Calling Election to Submit to Qualified Electors the Question of Levying a Special Tax Within the Area Proposed to be Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8); and Resolution Declaring Results of Special Election and Ordering Annexation of Territory to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8); and Introduce Uncodified Ordinance Levying and Apportioning Special Tax in Territory Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8). (PW)

Notice thereof having been published according to law, an affidavit of which publication is on file in the office of the City Clerk, Mayor Pro Tempore Kuehne called for the public hearing to consider adopting resolution calling election to submit to qualified electors the question of levying a special tax within the area proposed to be annexed to Community Facilities District (CFD) No. 2007-1 (Public Services) (Annexation No. 8); and resolution declaring results of special election and ordering annexation of territory to CFD No. 2007-1 (Public Services) (Annexation No. 8); and introduce uncodified ordinance levying and apportioning special tax in territory annexed to CFD No. 2007-1 (Public Services) (Annexation No. 8).

Senior Civil Engineer Sean Nathan provided a PowerPoint presentation regarding annexation of territory to CFD No. 2007-1 (Public Services) (Annexation No. 8). Specific topics of discussion included Annexation No. 8 and recommended action.

In response to Council Member Nakanishi, City Manager Schwabauer stated the CFD is intended to cover the incremental costs over and above what existing revenue streams cover for a subdivision, but it does not cover the entire cost. In further response, Mr. Nathan stated the original CFD was set up to cover Police and Fire services; maintenance of parks, parkway strips, block walls, and open space; provide flood and storm protection services; and clean up any hazardous materials. Mr. Schwabauer explained the CFD covers new developments, including Rosegate I and II, Elliot Homes, and Reynolds Ranch. All of those subdivisions are under this CFD; this property, Annexation No. 8, is not the only one in the CFD.

In response to Mayor Pro Tempore Kuehne, Mr. Nathan explained that the small, "notch-like" section not included in the CFD is due to a roadway project done in 2000 in which there was a dedication in fee for a ramp and signal hole.

Mayor Pro Tempore Kuehne opened the public hearing for public comment.

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

Council Member Mounce made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2019-118 calling election to submit to qualified electors the question of levying a special tax within the area proposed to be annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8).

VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

Council Member Mounce made a motion, second by Council Member Nakanishi, to adopt Resolution No. 2019-119 declaring results of special election and ordering annexation of territory to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8).
VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

Council Member Mounce made a motion, second by Council Member Johnson, to introduce uncodified Ordinance No. 1962 levying and apportioning special tax in territory annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8).

VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

H. Regular Calendar

H-1 Adopt Resolution Approving Statement of Benefits between City of Lodi and Lodi Fire Mid-Management for Period of July 1, 2019 through June 30, 2022 (CM)

Human Resources Manager Adele Post provided a presentation regarding the Statement of Benefits between City of Lodi and Lodi Fire Mid-Management for the period of July 1, 2019 through June 30, 2022. Specific topics of discussion included on-going negotiations over the past four months; red-lined version of the Statement of Benefits in the Council packet; proposed changes, including three-year term ending June 30, 2022, cost of living adjustments of 4.25 percent this July, 3 percent next July, and 3 percent July 2021, maintaining 20 percent salary differential between top step Fire Captain to top step Battalion Chief to avoid compaction issues when promoting to Battalion Chief, providing education incentives to be paid upon completion of coursework, and language changes in the document to clarify leaves of absences; and recognition of the Lodi Fire Mid-Managers for working with the City to reach an agreement. She stated the contract is a good balance between conflicting demands of the City's long-term budget and fiscal sustainability and the need to attract and retain employees.

Council Member Mounce made a motion, second by Council Member Johnson, to adopt Resolution No. 2019-120 approving Statement of Benefits between City of Lodi and Lodi Fire Mid-Management for period of July 1, 2019 through June 30, 2022.

VOTE:
The above motion carried by the following vote:
Ayes: Council Member Johnson, Council Member Mounce, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Noes: None
Absent: Mayor Chandler

I. Ordinances – None

K. Adjournment

City Manager Schwabauer announced that Stephanie Alvarez, who was the long-time owner of City Bicycles, manager of Fastenol, and wife of Lodi Fire Captain Paul Alvarez, lost her 11-year battle with cancer last night and passed away.
There being no further business to come before the City Council, the meeting was adjourned at 8:51 p.m., in memory of Stephanie Alvarez, who passed away on Tuesday, June 18, 2019.

ATTEST:

Jennifer M. Ferraiolo
City Clerk
LODI CITY COUNCIL
SHIRTSLEEVE SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JUNE 25, 2019

A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, June 25, 2019, commencing at 7:04 a.m.

Present: Council Member Nakanishi, Mayor Pro Tempore Kuehne, and Mayor Chandler
Absent: Council Member Johnson, and Council Member Mounce
Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Topic(s)

B-1 Receive Information Regarding White Slough Water Pollution Control Facility Update (PW)

Public Works Director Charlie Swimley provided a PowerPoint presentation regarding White Slough Water Pollution Control Facility (WSWPCF) update. Specific topics of discussion included WSWPCF location, WSWPCF property, treatment plant, project history, 2016 corrosion repair project, corroded concrete channel repair, replacement of 24-inch aeration pipe, repairs to Digester No. 3 cover, 2017 SCADA upgrade project, arc-flash study, SCADA system upgrade, recycled water pond storage project, recycled water permit for new storage pond, visual examples, and planned capital projects.

Mr. Swimley introduced Mark Kindelberger with Schneider Electric to explain the Energy Service Company (ESCO) procurement process, something the City of Lodi has not yet participated in but could benefit greatly from in the form of savings.

Mr. Kindelberger explained that his division with Schneider Electric operates as an ESCO, which provides energy solutions including designs and implementation of energy savings projects. The California Government Code allows municipalities to enter into contracts with such providers, and the projects pay for themselves with the savings. Both the design and construction of a project is contracted to a single entity, which makes the design to build delivery time faster because there is an intense collaboration between the City and the partners in the design phase. The project would be offered for a fixed bid with no change orders, and because it is a single entity, his company would be responsible for everything and the City would have a guarantee of utility savings that could be used to service any debt on the project. There are three phases: design; construction; and customer support, measurement, and verification. He stated that, between the design and construction phase, if the City determined it could not accomplish a viable project, it could cancel the project, and the City would only be accountable for any design to date fees incurred.

In response to Council Member Nakanishi, Mr. Kindelberger stated that, if the City borrows money for the project, the City would have a guaranteed utility savings that could pay for the debt. Mr. Swimley added that the City's plan is to pay for the project on a pay-as-you-go basis.

In response to Mayor Pro Tempore Kuehne, Mr. Swimley stated the savings would be roughly $100,000 a year.

Council Member Nakanishi questioned if this savings would offset rate increases. Mr. Swimley stated that installation of the blower project will help the City control rates better and reduce the overall operations of the facility. Mr. Schwabauer added that it will help provide cash for the remaining improvements once the payback period is ended.
C. **Comments by Public on Non-Agenda Items**

None.

D. **Adjournment**

No action was taken by the City Council. The meeting was adjourned at 8:00 a.m.

**ATTEST:**

Jennifer M. Ferraiolo  
City Clerk
The July 2, 2019, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk
The July 3, 2019, Regular Meeting of the Lodi City Council was canceled.

ATTEST:

Jennifer M. Ferraiolo
City Clerk
LODI CITY COUNCIL  
SPECIAL CITY COUNCIL MEETING  
CARNEGIE FORUM, 305 WEST PINE STREET  
TUESDAY, JULY 9, 2019

A. Call to Order / Roll Call

The City Council Special meeting of July 9, 2019, was called to order by Mayor Pro Tempore Kuehne at 7:00 a.m.

Present: Council Member Johnson, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Absent: Council Member Mounce, and Mayor Chandler
Also Present: City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

B. Announcement of Closed Session

B-1 Conference with Adele Post, Human Resources Manager, and Andrew Keys, Deputy City Manager (Labor Negotiators), Regarding Lodi City Mid-Management Association, AFSCME General Services and Maintenance & Operators, Police Mid-Managers, Lodi Police Officers Association, Lodi Police Dispatchers Association, Lodi Professional Firefighters, International Brotherhood of Electrical Workers, and Executive Management Pursuant to Government Code §54957.6 (CM)

C. Adjourn to Closed Session

At 7:00 a.m., Mayor Pro Tempore Kuehne adjourned the meeting to a Closed Session to discuss the above matter. The Closed Session adjourned at 7:18 a.m.

D. Return to Open Session / Disclosure of Action

At 7:20 a.m., Mayor Pro Tempore Kuehne reconvened the City Council meeting, and City Attorney Magdich disclosed the following action.

Item B-1 was discussion and direction given with no reportable action taken.

E. Adjournment

There being no further business to come before the City Council, the meeting was adjourned at 7:20 a.m.

ATTEST:

Jennifer M. Ferraiolo  
City Clerk
A. Roll Call by City Clerk

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, July 9, 2019, commencing at 7:20 a.m.

Present:    Council Member Johnson, Council Member Nakanishi, and Mayor Pro Tempore Kuehne
Absent:     Council Member Mounce, and Mayor Chandler
Also Present:    City Manager Schwabauer, City Attorney Magdich, and City Clerk Ferraiolo

NOTE: Mayor Pro Tempore Kuehne left the meeting at 8:01 a.m.

NOTE: Council Member Nakanishi left the meeting at 8:11 a.m.

B. Topic(s)

B-1 Receive Information Regarding 200-Year Flood Risk Assessment (PW)

Senior Civil Engineer Sean Nathan provided a PowerPoint presentation regarding the 200-year flood risk assessment. Specific topics of discussion included Senate Bill 5 background, State Plan of Flood Control facilities, urban level of flood protection, compliance finding requirements, timelines, mapping process, results of floodplain study, City options, requirements in FEMA and 200-year flood areas, project to provide additional protection, next steps, and staff recommendations.

In response to Mayor Pro Tempore Kuehne, Mr. Nathan stated he will provide Council with copies of all of the maps referenced in the PowerPoint presentation.

Council Member Nakanishi stated he supports staff's recommendations to meet the minimum SB 5 requirement to allow up to three feet of standing water and the City project to construct a wall at Turner Road and Mills Avenue; however, he questioned if the City must do the third component of requiring buildings to raise floors up to the 200-year flood elevation level. Mr. Nathan responded that the City is required to make building floor levels be three feet, but it could impose stricter regulations at a higher level. If the City does not impose at least the minimum requirement, it would be in violation of SB 5. City Manager Schwabauer explained that additionally the City would open itself to litigation if homes were not built to the minimum flood standards. Council Member Nakanishi responded that it appears the City must implement the third component as well, otherwise it will be in violation.

Mayor Pro Tempore Kuehne stated he was satisfied with the City meeting the minimum requirements set forth by SB 5 and he supports construction of a wall on Turner Road and Mills Avenue; however, he would like to see the schematics as aesthetics of the wall are just as important as its protective features.

Mike Lusk, member of the public, stated he realizes this plan takes into account that the river would be overflowing at the time of a storm, but he questioned what the City's response would be for the street runoff that would also be occurring at the same time during a significant storm. Mr. Schwabauer stated that SB 5 only addresses outside water coming into the system; not inside water getting out. He added the City has an internal storm drainage plan that meets the needs. Mr. Lusk further questioned how the City map will affect existing homeowners with respect to taking out home loans and looking for flood protection insurance; would this map prohibit...
people from getting loans. Mr. Schwabauer explained there would be no impact on most of the new housing being constructed because all of the areas to be developed over the next 20 years are outside of the floodplain. Mr. Nathan further explained that even homes already developed that are destroyed by some means and rebuilt to new standards would not be affected because SB 5 only affects new development. In response to Mr. Lusk, Mr. Nathan stated that data was collected for the 1955 flood and the 1986 flood, but he was uncertain what level events they were (i.e. 100-year, 200, 300, etc.).

B-2 Receive Information Regarding Riverbank Stabilization Project and Associated Tree Removals (PW)

Senior Civil Engineer Sean Nathan provided a PowerPoint presentation regarding the Lodi Lake Park Riverbank Stabilization Project and associated tree removal. Specific topics of discussion included location, background information, State grant, consultant for design and permitting, existing condition assessment, design/project overview, required permits, tree assessment, removal of 30 trees, and next steps.

NOTE: Mayor Pro Tempore Kuehne left the meeting at 8:01 a.m. (followed by Council Member Nakanishi’s departure at 8:11 a.m.), effectively terminating a quorum of the Council. Staff continued with an informal presentation on the topic. Background materials and PowerPoint presentation are on file in the City Clerk's Office.

C. Comments by Public on Non-Agenda Items

None.

D. Adjournment

No action was taken by the City Council. The meeting adjourned at 8:01 a.m. due to lack of a quorum.

ATTEST:

Jennifer M. Ferraiolo
City Clerk
AGENDA TITLE: Adopt Resolution Authorizing the Purchase of a DJI M210 Unmanned Aircraft Systems (UAS) From Flymotion Unmanned Systems for Use by the Police Department and Appropriate Funds ($31,881)

MEETING DATE: July 17, 2019

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Adopt resolution authorizing the purchase of a DJI M210 Unmanned Aircraft Systems (UAS) from Flymotion Unmanned Systems for use by the Police Department and appropriate funds in the amount of $31,881.79.

BACKGROUND INFORMATION: The City of Lodi Police Department has embraced the current law enforcement trend of utilizing UASs in crime interception activities. Almost two years ago the Lodi Police Foundation donated a DJI Phantom 4 drone to the Police Department. Since the acquisition of the drone it has assisted the department in searching for missing persons, clearing rooftops and yards for wanted subjects, and to aid in other emergency management activities.

The department has requested as part of the 2019/20 budget to acquire a second drone due to the amount of use and expanded features offered by a new UAS. The expanded features include bilateral operator functionality allowing one person to pilot the UAS and the other to operate the camera. This makes the drone more dependable allowing the pilot to concentrate on flying and the camera operator to focus on finding suspects or situations, and calling out commands if needed. Although this is a beneficial feature the drone can also be operated by one person. Another feature of the proposed UAS is a more powerful camera that will provide a clearer picture and closer zoom to search for subjects and objects. The high powered camera will also have thermal imaging allowing for the department to use the drone at night and to find heat sources most notably from a person. Lastly this drone has the capability to overlay street names and latitude and longitude lines that can be better used as locators and for evidence.

The department has received one other quote for a comparable UAS from DSLR Pros at the cost of $37,481.85. The department chose the DJI M210 Flymotion drone not only because it is cheaper, but it is also the same system as the DJI Phantom 4 drone that the department is currently operating. After the department looked at other UASs it was decided that having both drones with the same operating systems would help with training, cross training, and ease of operability.

As owners of a drone the department has already sent sworn personnel to training and testing to become certified UAS operators. The training and testing ensure that the department will properly operate the UAS and adhere to all airspace laws and regulations.

APPROVED: ________________________________
Stephen Schwabauer, City Manager
FISCAL IMPACT: Funds for this purchase are available in the 2019/20 Operations Safety Equipment Fund.

FUNDING AVAILABLE: Safety Equipment $31,881.79 (10032000.72306)

__________________________________________________________________________
Andrew Keys
Deputy City Manager/Internal Services Director

__________________________________________________________________________
Tod Patterson
Chief of Police
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Unit Cost</th>
<th>Quantity</th>
<th>Line Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FLYMOTION M210 V2 Bundle</td>
<td>29,452.00</td>
<td>1</td>
<td>29,452.00</td>
<td></td>
</tr>
<tr>
<td>DJIM210V2 COMBO DJIM210V2 COMBO SP</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>In the Box:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Aircraft Body</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Remote Controller (Cendence S)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-Landing Gear</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-CrystalSky 7.85-inch Ultra Monitor</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4-Propeller (Pair)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-Intelligent Flight Battery (TB55)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Battery Charger</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-IN2CH Charging Hub</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Power Cable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-USB Cable (with 2 Type-A Ports)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Mobile Device Holder</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-WB37 Intelligent Battery</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-WCH2 Charging Hub</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-CrystalSky Mounting Bracket</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-USB Extension Cable</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Remote Controller Strap</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-MicroSD Card (64GB)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Carrying Case</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Screwdriver (Set)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3-Gimbal Dampener</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Cendence Control Stick Covers (Pair)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Cendence Control Stick Cover Mounting Key</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-CrystalSky Mounting Screw</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Rear Port Cover Screw</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1-Spare Waterproof Rear Port Cover</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Support Program Replacement Unit Cost:
1st Replacement: $899
2nd Replacement: $1099

DJIZENXT26403013 DJI Zenmuse FLIR XT2 Dual Sensor
640x512 30Hz 13mm Radiometric
0.00 | 1 | 0.00
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Unit Cost</th>
<th>Quantity</th>
<th>Line Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Visual Camera</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sensor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1/1.7” CMOS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effective Pixels: 12 M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lens</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Prime lens</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Focus at 8 mm</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>FOV 57.12°× 42.44°</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Thermal Imager</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Uncooled VOx Microbolometer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJIZENZ30</td>
<td>Zenmuse Z30 (30x Optical Zoom)</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Sensor</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CMOS, 1/2.8”</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Effective Pixels: 2.13 M</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Lens</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>30x Optical Zoom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>F1.6 (Wide) - F4.7 (Tele)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Zoom Movement Speed:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Optical Wide – Optical Tele: 4.6 sec</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Optical Wide – Digital Tele: 6.4 sec</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Digital Wide – Digital Tele : 1.8 sec</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Focus Movement Time:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>∞ - near: 1.1 sec</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJICEND S</td>
<td>DJI Cendence S Remote Controller</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>DJICRYSTAL7.8HIGH</td>
<td>DJI CrystalSky 7.8” HighBright 1000NIT Monitor</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>DJICrystal MH 7</td>
<td>CrystalSky Monitor Hood (7.85”)</td>
<td>0.00</td>
<td>2</td>
<td>0.00</td>
</tr>
<tr>
<td>DJITB55</td>
<td>DJI TB55 Intelligent Flight Battery (Extended)</td>
<td>0.00</td>
<td>6</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>LiPo 6S</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>22.8V</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Up to 38 min. flight time</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DJIWB37</td>
<td>WB37 Intelligent Battery (CrystalSky/Cendence)</td>
<td>0.00</td>
<td>2</td>
<td>0.00</td>
</tr>
<tr>
<td>DJI180WBC</td>
<td>180W Battery Charger</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>DJI180WACPC</td>
<td>180W AC Power Cable</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>DJIHUBTB5055</td>
<td>Battery Charging Hub for TB50/TB55 Intelligent Flight Battery</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>(Battery Charger sold separately)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Power Cord sold separately)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DJI M200 Series Spare Propellers</td>
<td>0.00</td>
<td>4</td>
<td>0.00</td>
</tr>
<tr>
<td>HOODLP5FT</td>
<td>Hoodman Landing Pad (5ft)</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
<td>Unit Cost</td>
<td>Quantity</td>
<td>Line Total</td>
</tr>
<tr>
<td>--------------</td>
<td>------------------------------------------------------------------------------</td>
<td>-----------</td>
<td>----------</td>
<td>------------</td>
</tr>
<tr>
<td>GPCM200XTS</td>
<td>Matrice 200 Series Case XTS</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>FMTECHSUPP3</td>
<td>Complimentary: Receive FLYMOTION’s first in class tech support for 3 months, with 24/7 access to the tech support email account that gets responded to within 24 hours.</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
<tr>
<td>Shipping</td>
<td>FedEx Ground Shipping (Insured)</td>
<td>0.00</td>
<td>1</td>
<td>0.00</td>
</tr>
</tbody>
</table>

Subtotal 29,452.00
CA 95240 8.25% 2,429.79

Estimate Total (USD) $31,881.79

Terms
Payment due upon receipt.

Notes
Quote valid 30 days from date of issue.

To view your estimate online Go to https://flymotionus.freshbooks.com/view/ubrfEaEiUa79EH
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE PURCHASE OF A DJI M210 UNMANNED AIRCRAFT
SYSTEM FROM FLYMOTION UNMANNED SYSTEMS, OF
TAMPA, FLORIDA, FOR USE BY THE POLICE DEPARTMENT;
AND FURTHER APPROPRIATING FUNDS

========================================================================

WHEREAS, the City of Lodi Police Department has embraced the current law
enforcement trend of utilizing unmanned aircraft systems (UAS) in crime interception activities; and

WHEREAS, the department has requested as part of the 2019/20 budget to acquire a
second drone due to the amount of use of the current drone and expanded features offered by a
new UAS; and

WHEREAS, the expanded drone features include bilateral operator functionality, a more
powerful camera, thermal imaging, and the capability to overlay street names and latitude and longitude lines; and

WHEREAS, staff recommends the purchase of a DJI M210 UAS from Flymotion Unmanned Systems, as it operates on the same system as the current UAS and the vendor provided the lowest quote.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize the purchase of a DJI M210 Unmanned Aircraft System from Flymotion Unmanned Systems, of Tampa, Florida, in the amount of $31,881.79; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby appropriate funds in the amount of $31,881.79 for the purchase as follows:

Safety Equipment $31,881.79 (10032000.72306 Expense 2019/20 fiscal year)

BE IT FURTHER RESOLVED by the Lodi City Council that funds not expended in the outlined fiscal year will roll over to the next budget year until completion of purchase.

Date: July 17, 2019
========================================================================

I hereby certify that Resolution No. 2019-_____ was passed and adopted by the Lodi City Council in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIIOLO
City Clerk

2019-_____
AGENDA TITLE: Adopt Resolution Authorizing a Vehicle Replacement Purchase (05-097) and Appropriating Funds ($54,774.12)

MEETING DATE: July 17, 2019

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Adopt resolution authorizing a vehicle replacement purchase (05-097) and appropriating funds in the amount of $54,774.12.

BACKGROUND INFORMATION: One of the Police Department’s 2013 Ford Taurus Police Vehicle (05-097) was involved in an on-duty vehicle collision which was determined to be the officer’s fault. The vehicle was considered a total loss. The City settled with the our insurance carrier for the value of the vehicle, tax, as well as the transfer of emergency equipment. The insurance reimbursement totaled $16,387.54.

Staff requests the authorization to replace the totaled 2013 Ford Taurus Police vehicle with a 2020 Ford Police Interceptor Utility Vehicle from Folsom Lake Ford, a State of California contract dealer for Government vehicles, in the amount of $40,986.99, plus an additional $13,596.97 for purchase and transfer of emergency and electronic equipment through Lehr Auto, for a $54,774.12 total cost. The $38,386.58 gap in insurance reimbursement and replacement cost will be paid from the vehicle replacement funds.

FISCAL IMPACT: Appropriate funds from insurance reimbursement of $16,387.54. There is no impact to the General Fund from this vehicle purchase. Funds not expended in the outlined fiscal year will roll over to the next budget year until completion of purchase.

FUNDING AVAILABLE: Insurance Reimbursement $16,387.54 (40300000.55020 - Revenue) Vehicle Replacement Fund $54,774.12 (40399100.77040 - Expense)

Andrew Keys
Deputy City Manager/Internal Services Director

Tod Patterson
Chief of Police

APPROVED: ______________________________
Steve Schwabauer, City Manager
**2020 ORDER-PRODUCTION**

**BEGINS 5/6/2019**

<table>
<thead>
<tr>
<th>Code</th>
<th>Option</th>
<th>Quantity</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>K8A</td>
<td>4DR AWD POLICE .119.09&quot; WB</td>
<td>1</td>
<td>$38,030.85</td>
</tr>
<tr>
<td>UM</td>
<td>AGATE BLACK</td>
<td>9</td>
<td>$2,947.39</td>
</tr>
<tr>
<td>9C</td>
<td>CLTH BKT/S/VNL R</td>
<td>1</td>
<td>$8.75</td>
</tr>
<tr>
<td>6</td>
<td>EBONY</td>
<td></td>
<td>$40,986.99</td>
</tr>
<tr>
<td>500A</td>
<td>EQUIP GRP .AM/FM STEREO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>99B</td>
<td>3.3L V6 TIVCT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>44U</td>
<td>50SPD AUTO TRAN CA BOARD FEES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16D</td>
<td>BADGE DELETE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17T</td>
<td>CARGO DOME LAMP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42S</td>
<td>50 STATE EMISS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>43D</td>
<td>COURTESY DISABL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51S</td>
<td>DUAL LED LAMPS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>59B</td>
<td>KEY CODE 1284X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60R</td>
<td>NOISE SUPPRESS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>66A</td>
<td>FRONT HDLMP PKG .GRILL WIRING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>66C</td>
<td>REAR LIGHT PKG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>68G</td>
<td>RR DR/LK INOP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>76R</td>
<td>REVERSE SENSING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>87R</td>
<td>RR VIEW MIR/CAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90E</td>
<td>LH/RH PNLS III FLEX-FUEL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>153</td>
<td>FRT LICENSE BKT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**1/16/2019**

**LESS $500.00 DISCOUNT**

**20 DAY PAYMENT**

**INCLUDES WHITE ROOF AND 4 DOORS WHITE**
## Vehicle Information:

**2020 FORD UTILITY**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Category</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA315P</td>
<td>SIREN SPEAKER</td>
<td>WHELEN</td>
<td>1</td>
<td>195.00</td>
<td>195.00</td>
</tr>
<tr>
<td>SAK51</td>
<td>SPEAKER BRACKET-PASSENGER'S SIDE</td>
<td>WHELEN</td>
<td>1</td>
<td>28.70</td>
<td>28.70</td>
</tr>
<tr>
<td>PK04191ITU12SCA</td>
<td>#10YS C RP PARTITION</td>
<td>SETINA</td>
<td>1</td>
<td>666.75</td>
<td>666.75</td>
</tr>
<tr>
<td>WK05141ITU12</td>
<td>WINDOW GUARDS</td>
<td>SETINA</td>
<td>1</td>
<td>171.75</td>
<td>171.75</td>
</tr>
<tr>
<td>DK0100IT12</td>
<td>DOOR PANELS VS TPO PLASTIC INSTALLS OVER</td>
<td>SETINA</td>
<td>1</td>
<td>194.25</td>
<td>194.25</td>
</tr>
<tr>
<td>GKI030151US5CA</td>
<td>DBL GUN RACK</td>
<td>SETINA</td>
<td>1</td>
<td>321.75</td>
<td>321.75</td>
</tr>
<tr>
<td>BK201919TU16</td>
<td>PB450LA LIGHTED PUSH BUMPER UTILITY 2016-2019</td>
<td>SETINALTP</td>
<td>1</td>
<td>809.10</td>
<td>809.10</td>
</tr>
<tr>
<td>TK20631ITU12AA</td>
<td>CARGO BOX</td>
<td>SETINA</td>
<td>1</td>
<td>599.25</td>
<td>599.25</td>
</tr>
<tr>
<td>C-VC-1308-INUT</td>
<td>CON, VS, 2TMS,</td>
<td>HAVIS</td>
<td>1</td>
<td>324.02</td>
<td>324.02</td>
</tr>
<tr>
<td>C-EB40-CCS-1P</td>
<td>FACE PLATE 1 PC</td>
<td>HAVIS</td>
<td>1</td>
<td>40.56</td>
<td>40.56</td>
</tr>
<tr>
<td>C-EB25-MMT-1P</td>
<td>FACE PLATE 1 PC</td>
<td>HAVIS</td>
<td>1</td>
<td>34.06</td>
<td>34.06</td>
</tr>
<tr>
<td>C-LP-4</td>
<td>CON,ACSY,PLT,IM</td>
<td>HAVIS</td>
<td>1</td>
<td>40.56</td>
<td>40.56</td>
</tr>
<tr>
<td>C-CUP2-I</td>
<td>CON,ACSY,CUPHLD</td>
<td>HAVIS</td>
<td>1</td>
<td>34.06</td>
<td>34.06</td>
</tr>
<tr>
<td>C-FP-25</td>
<td>PLT,2.5MS,</td>
<td>HAVIS</td>
<td>1</td>
<td>97.72</td>
<td>97.72</td>
</tr>
<tr>
<td>C-AP-0645-L</td>
<td>CON,ACSY,BOX,IM</td>
<td>HAVIS</td>
<td>1</td>
<td>97.72</td>
<td>97.72</td>
</tr>
<tr>
<td>C-MCB</td>
<td>MICLIP BRACKET</td>
<td>HAVIS</td>
<td>2</td>
<td>12.11</td>
<td>24.22</td>
</tr>
<tr>
<td>C-MC</td>
<td>CON,ACSY,MICLIP</td>
<td>HAVIS</td>
<td>2</td>
<td>9.24</td>
<td>18.48</td>
</tr>
<tr>
<td>NMO-K-DS</td>
<td>COAX CABLE</td>
<td>RADIO</td>
<td>1</td>
<td>19.50</td>
<td>19.50</td>
</tr>
<tr>
<td>QWFT120</td>
<td>ANTENNA WHIP</td>
<td>RADIO</td>
<td>1</td>
<td>19.00</td>
<td>19.00</td>
</tr>
<tr>
<td>MDPE-MODULE</td>
<td>PRE EMISSION MOD</td>
<td>ECCO</td>
<td>1</td>
<td>120.16</td>
<td>120.16</td>
</tr>
<tr>
<td>03-0211</td>
<td>PI UTILITY HARNESS-FRONT MOUNTED</td>
<td>PATROLP</td>
<td>1</td>
<td>695.00</td>
<td>695.00</td>
</tr>
<tr>
<td>VTX609R</td>
<td>VERTEX SUPER LED-RED</td>
<td>WHELEN</td>
<td>1</td>
<td>70.00</td>
<td>70.00</td>
</tr>
<tr>
<td>VTX6098</td>
<td>VERTEX SUPER LED-BLUE</td>
<td>WHELEN</td>
<td>1</td>
<td>70.00</td>
<td>70.00</td>
</tr>
<tr>
<td>CP-UV-CARGO-MNT</td>
<td>PI UTILITY TILT-UP CARGO MOUNT 40&quot;W x 32&quot;L</td>
<td>TROY PRO</td>
<td>1</td>
<td>314.64</td>
<td>314.64</td>
</tr>
<tr>
<td>AC-UV-TRAY-H</td>
<td>ELECTRONICS TRAY</td>
<td>TROY PRO</td>
<td>1</td>
<td>180.00</td>
<td>180.00</td>
</tr>
<tr>
<td>SUIV1C1611</td>
<td>REAR SEAT W/SCREEN</td>
<td>ADEDC</td>
<td>1</td>
<td>856.25</td>
<td>856.25</td>
</tr>
<tr>
<td>INSTALL</td>
<td>INSTALL MATERIALS</td>
<td>OTHER</td>
<td>1</td>
<td>185.00</td>
<td>185.00</td>
</tr>
<tr>
<td>I</td>
<td>INSTALLATION CHARGES</td>
<td>LABOR</td>
<td>1</td>
<td>2,850.00</td>
<td>2,850.00</td>
</tr>
<tr>
<td>F</td>
<td>Shipping Charges</td>
<td>OTHER</td>
<td>1</td>
<td>225.00</td>
<td>225.00</td>
</tr>
<tr>
<td>IJ8DEDE</td>
<td>48&quot; LIBERTY II DUO CO, RW/BW C&amp;B, RA/BA R, TD, AL</td>
<td>WHELENLB</td>
<td>1</td>
<td>2,250.00</td>
<td>2,250.00</td>
</tr>
<tr>
<td>STPK783</td>
<td>STRAP KIT</td>
<td>WHELEN</td>
<td>1</td>
<td>95.00</td>
<td>95.00</td>
</tr>
<tr>
<td>CCSRNT5</td>
<td>CARBIDE SIREN AMP W/CANPOR/TA</td>
<td>WHELENPR</td>
<td>1</td>
<td>829.00</td>
<td>829.00</td>
</tr>
</tbody>
</table>
**Sales Quote**

Quote Number: 18038  
Documen: Date: 3/19/2018  
Terms: Net 30

**Sell**  
Lodi Police Department  
To: Jannelle Baker  
215 W Elm Street  
Lodi, CA 95241  
Phone: 209-333-6722

**Ship**  
Lodi Police Department  
To: Lt. Nelson  
215 W. Elm St  
Lodi, CA 95240  
Phone: 209-333-6722

**Ship Via**  
Location: Lehr - Sacramento

**Blanket PO:**

**Customer ID**  
50888  
SalesPerson  
Jeff Engbrethson

**Vehicle Information:**  
2020 FORD UTILITY

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Category</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANCTL7</td>
<td>CONTROL HEAD 21 PUSH-BUTTONS, 4-PSS, MIC</td>
<td>WHELEN</td>
<td>1</td>
<td>245.70</td>
<td>245.70</td>
</tr>
<tr>
<td>CCSK1</td>
<td>OBDII INSTALL KIT 16-* FORD, 16-17 CHARGER</td>
<td>WHELEN</td>
<td>1</td>
<td>245.70</td>
<td>245.70</td>
</tr>
<tr>
<td>IJS005T</td>
<td>TDS&amp;STROBE TUBE</td>
<td>WHELEN</td>
<td>1</td>
<td>245.70</td>
<td>245.70</td>
</tr>
<tr>
<td>EXT15</td>
<td>3/C EXT, CABLE 15' AMP/AMP customer supplied Radio and Computer</td>
<td>WHELEN</td>
<td>1</td>
<td>28.00</td>
<td>28.00</td>
</tr>
<tr>
<td></td>
<td>additional labor billed at $95 per hour</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Amount Subject to Sales Tax**  
12352.86  

**Amount Exempt from Sales Tax**  
225.00

**Subtotal:**  
$12,577.86

**Total Sales Tax:**  
$1,019.11

**Total:**  
$13,596.97
WHEREAS, the Police Department’s 2013 Ford Taurus Police Vehicle (05-097) was involved in an on-duty vehicle collision which was determined to be the officer’s fault, and the vehicle was a total loss; and

WHEREAS, the City settled with our insurance for the value of the vehicle, tax, and the transfer of emergency equipment totaling $16,596.97; and

WHEREAS, staff requests that the City Council authorize the replacement of the totaled 2013 Ford Taurus with a 2020 Ford Police Interceptor Utility Vehicle from Folsom Lake Ford, a State of California contract dealer for government vehicles, in the amount of $40,986.99, plus an additional $13,596.97 for purchase and transfer of emergency and electronic equipment through Lehr Auto; and

WHEREAS, the $38,386.58 gap in insurance reimbursement and replacement cost will be paid from the vehicle replacement funds.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the replacement of the totaled 2013 Ford Taurus Unit No. 05-097 with a 2020 Ford Police Interceptor Utility Vehicle from Folsom Lake Ford, a State of California contract dealer for government vehicles, in the amount of $40,986.99; and

BE IT FURTHER RESOLVED that funds in the amount of $54,774.12 be appropriated for the vehicle purchase as shown as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>Account Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance Reimbursement</td>
<td>$16,596.97</td>
<td>(40300000.55020 – Revenue)</td>
</tr>
<tr>
<td>Vehicle Replacement Fund</td>
<td>$54,774.12</td>
<td>(40399100.77040 – Expense)</td>
</tr>
</tbody>
</table>

BE IT FURTHER RESOLVED that funds not expended in the outlined fiscal year will roll over to the next budget year until completion of purchase.

Date: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the Lodi City Council in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk

2019-_______
AGENDA TITLE: Adopt Resolution Authorizing a Vehicle Replacement Purchase (05-028) and Appropriating Funds ($54,774.12)

MEETING DATE: July 17, 2019

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Adopt resolution authorizing a vehicle replacement purchase (05-028) and appropriating funds in the amount of $54,774.12.

BACKGROUND INFORMATION: One of the Police Department’s 2016 Ford Police Interceptor Utility Vehicle (05-028) was involved in an on-duty vehicle collision which was determined to be the officer’s fault. The Interceptor was considered a total loss. The City settled with the our insurance carrier for the value of the vehicle, tax, as well as the transfer of emergency equipment. The insurance reimbursement totaled $27,538.64.

Staff requests the authorization to replace the totaled 2016 Ford Interceptor with a 2020 Ford Police Interceptor Utility Vehicle from Folsom Lake Ford, a State of California contract dealer for government vehicles, in the amount of $40,986.99, plus an additional $13,596.97 for purchase and transfer of emergency and electronic equipment through Lehr Auto, for a $54,774.12 total cost. The $27,235.48 gap in insurance reimbursement and replacement cost will be paid from the vehicle replacement funds.

FISCAL IMPACT: Appropriate funds from insurance reimbursement of $27,538.64. There is no impact to the General Fund from this vehicle purchase. Funds not expended in the outlined fiscal year will roll over to the next budget year until completion of purchase.

FUNDING AVAILABLE: Insurance Reimbursement $27,538.64 (40300000.55020 - Revenue) Vehicle Replacement Fund $54,774.12 (40399100.77040 - Expense)

______________________________
Andrew Keys
Deputy City Manager/Internal Services Director

______________________________
Tod Patterson
Chief of Police

____________________________________
Steve Schwabauer, City Manager
## 2020 ORDER-PRODUCTION

**BEGINNES 5/6/2019**

<table>
<thead>
<tr>
<th>Code</th>
<th>Option</th>
<th>Description</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>K8A</td>
<td>4DR AWD POLICE .119.09&quot; WB</td>
<td></td>
<td>$38,030.85</td>
</tr>
<tr>
<td>UM</td>
<td>AGATE BLACK</td>
<td></td>
<td>$2,947.39</td>
</tr>
<tr>
<td>9</td>
<td>CLTH BKTS/VNL R</td>
<td></td>
<td>$8.75</td>
</tr>
<tr>
<td>6</td>
<td>EBONY</td>
<td></td>
<td>$40,986.99</td>
</tr>
<tr>
<td>500A</td>
<td>EQUIP GRP .AM/FM STEREO</td>
<td></td>
<td></td>
</tr>
<tr>
<td>99B</td>
<td>3.3L V6 TIVCT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>44U</td>
<td>10SPD AUTO TRAN CA BOARD FEES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16D</td>
<td>BADGE DELETE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17T</td>
<td>CARGO DOME LAMP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>425</td>
<td>50 STATE EMISS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>43D</td>
<td>COURTESY DISABLB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>51S</td>
<td>DUAL LED LAMPS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>59B</td>
<td>KEY CODE 1284X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>60R</td>
<td>NOISE SUPPRESS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>66A</td>
<td>FRONT HDLMP PKG .GRILL WIRING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>66C</td>
<td>REAR LIGHT PKG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>68G</td>
<td>RR DR/LK INOP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>76R</td>
<td>REVERSE SENSING</td>
<td></td>
<td></td>
</tr>
<tr>
<td>87R</td>
<td>RR VIEW MIR/CAM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>90E</td>
<td>LH/RH PNLS III FLEX-FUEL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>153</td>
<td>FRT LICENSE BKT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**LESS $500.00 DISCOUNT 20 DAY PAYMENT**

INCLUDES WHITE ROOF AND 4 DOORS WHITE

1/16/2019
### Sales Quote

**Page:** 1

**Quote Number:** 18038  
**Document Date:** 3/19/2018  
**Terms:** Net 30  
**Payment Method:**

---

**Ship**

**To:** Lt. Nelson
**Location:** 215 W. Elm St  
**Phone:** 209-333-6722

**Ship Via**

**Location:** Lehr - Sacramento

**Vehicle Information:**

**2020 FORD UTILITY**

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Category</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>SA315P</td>
<td>SIREN SPEAKER</td>
<td>WHELEN</td>
<td>1</td>
<td>195.00</td>
<td>195.00</td>
</tr>
<tr>
<td>SAK51</td>
<td>SPEAKER BRACKET-PASSENGER'S SIDE</td>
<td>WHELEN</td>
<td>1</td>
<td>28.70</td>
<td>28.70</td>
</tr>
<tr>
<td>PK04191TU12SAC</td>
<td>#10V V CPR PARTITION</td>
<td>SETINA</td>
<td>1</td>
<td>666.75</td>
<td>666.75</td>
</tr>
<tr>
<td>WK05141TU12</td>
<td>WINDOW GUARDS</td>
<td>SETINA</td>
<td>1</td>
<td>171.75</td>
<td>171.75</td>
</tr>
<tr>
<td>DK01001TU12</td>
<td>DOOR PANELS VS TPO PLASTIC INSTALLS OVER OME PANEL</td>
<td>SETINA</td>
<td>1</td>
<td>194.25</td>
<td>194.25</td>
</tr>
<tr>
<td>GK1030151USSCA</td>
<td>DBL GUN RACK</td>
<td>SETINA</td>
<td>1</td>
<td>321.75</td>
<td>321.75</td>
</tr>
<tr>
<td>BK201917TU16</td>
<td>PB450LA LIGHTED PUSH BUMPER UTILITY 2016-2019</td>
<td>SETINALTP</td>
<td>1</td>
<td>809.10</td>
<td>809.10</td>
</tr>
<tr>
<td>TK20631TU12AA</td>
<td>CARGO BOX</td>
<td>SETINA</td>
<td>1</td>
<td>599.25</td>
<td>599.25</td>
</tr>
<tr>
<td>C-VS-1308-INUT</td>
<td>CON, VS, 2TMS,</td>
<td>HAVIS</td>
<td>1</td>
<td>324.02</td>
<td>324.02</td>
</tr>
<tr>
<td>C-E840-CCS-1P</td>
<td>FACE PLATE 1 PC</td>
<td>HAVIS</td>
<td>1</td>
<td>34.06</td>
<td>34.06</td>
</tr>
<tr>
<td>C-E825-MMT-1P</td>
<td>FACE PLATE 1 PC</td>
<td>HAVIS</td>
<td>1</td>
<td>40.56</td>
<td>40.56</td>
</tr>
<tr>
<td>C-LP-4</td>
<td>CON,ACSY,PLT,IM</td>
<td>HAVIS</td>
<td>1</td>
<td>97.72</td>
<td>97.72</td>
</tr>
<tr>
<td>C-CUP2-I</td>
<td>CON,ACSY,CUPHLD</td>
<td>HAVIS</td>
<td>1</td>
<td>24.22</td>
<td>24.22</td>
</tr>
<tr>
<td>C-FP-25</td>
<td>PLT,2.5MS,</td>
<td>HAVIS</td>
<td>1</td>
<td>97.72</td>
<td>97.72</td>
</tr>
<tr>
<td>C-AP-0645-L</td>
<td>CON,ACSY,BOX,IM</td>
<td>HAVIS</td>
<td>1</td>
<td>24.22</td>
<td>24.22</td>
</tr>
<tr>
<td>C-MCB</td>
<td>MICLIP BRACKET</td>
<td>HAVIS</td>
<td>2</td>
<td>12.11</td>
<td>24.22</td>
</tr>
<tr>
<td>C-MC</td>
<td>CON,ACSY,MCCLIP</td>
<td>HAVIS</td>
<td>2</td>
<td>9.24</td>
<td>18.48</td>
</tr>
<tr>
<td>NMO-K-DS</td>
<td>COAX CABLE</td>
<td>RADIO</td>
<td>1</td>
<td>19.50</td>
<td>19.50</td>
</tr>
<tr>
<td>QWFT120</td>
<td>ANTENNA WHIP</td>
<td>RADIO</td>
<td>1</td>
<td>19.00</td>
<td>19.00</td>
</tr>
<tr>
<td>MDPE-MODULE</td>
<td>PRE EMPTION MOD</td>
<td>ECCO</td>
<td>1</td>
<td>120.16</td>
<td>120.16</td>
</tr>
<tr>
<td>03-0211</td>
<td>PI UTILITY HARNESS-FRONT MOUNTED</td>
<td>PATROLPO</td>
<td>1</td>
<td>695.00</td>
<td>695.00</td>
</tr>
<tr>
<td>VTX609R</td>
<td>VERTEX SUPER LED-RED</td>
<td>WHELEN</td>
<td>1</td>
<td>70.00</td>
<td>70.00</td>
</tr>
<tr>
<td>VTX609B</td>
<td>VERTEX SUPER LED-BLUE</td>
<td>WHELEN</td>
<td>1</td>
<td>70.00</td>
<td>70.00</td>
</tr>
<tr>
<td>CP-UV-CARGO-MNT</td>
<td>PI UTILITY TILT-UP CARGO MOUNT 40&quot;W x 32&quot;L</td>
<td>TROY PRO</td>
<td>1</td>
<td>314.64</td>
<td>314.64</td>
</tr>
<tr>
<td>AC-UV-TRAY-H</td>
<td>ELECTRONICS TRAY</td>
<td>TROY PRO</td>
<td>1</td>
<td>180.00</td>
<td>180.00</td>
</tr>
<tr>
<td>SUVIC1611</td>
<td>REAR SEAT W/SCREEN</td>
<td>ADECG</td>
<td>1</td>
<td>856.25</td>
<td>856.25</td>
</tr>
<tr>
<td>INSTALL</td>
<td>INSTALL MATERIALS</td>
<td>OTHER</td>
<td>1</td>
<td>185.00</td>
<td>185.00</td>
</tr>
<tr>
<td>I</td>
<td>INSTALLATION CHARGES</td>
<td>LABOR</td>
<td>1</td>
<td>2,850.00</td>
<td>2,850.00</td>
</tr>
<tr>
<td>F</td>
<td>Shipping Charges</td>
<td>OTHER</td>
<td>1</td>
<td>225.00</td>
<td>225.00</td>
</tr>
<tr>
<td>IU8DEE</td>
<td>48&quot; LIBERTY II DUO CO, RW/BW C&amp;F, RA/BA R, TD, AL</td>
<td>WHELENLB</td>
<td>1</td>
<td>2,250.00</td>
<td>2,250.00</td>
</tr>
<tr>
<td>STPK783</td>
<td>STRAP KIT</td>
<td>WHELEN</td>
<td>1</td>
<td>95.00</td>
<td>95.00</td>
</tr>
<tr>
<td>CCSN55</td>
<td>CARBIDE SIREN AMP W/CANPOR/TA</td>
<td>WHELENPR</td>
<td>1</td>
<td>829.00</td>
<td>829.00</td>
</tr>
</tbody>
</table>
Sell: Lodi Police Department
To: Jannelle Baker
215 W Elm Street
Lodi, CA 95241
Phone: 209-333-6722

Ship: Lodi Police Department
To: Lt. Nelson
215 W. Elm St
Lodi, CA 95240
Phone: 209-333-6722

Ship Via
Location: Lehr - Sacramento
Blanket PO:

Vehicle Information:
2020 FORD UTILITY

<table>
<thead>
<tr>
<th>Item No.</th>
<th>Description</th>
<th>Category</th>
<th>Quantity</th>
<th>Unit Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>CANCTL7</td>
<td>CONTROL HEAD 21 PUSH-BUTTONS, 4-PSS, MIC OBDII INSTALL KIT 16-17 FORD, 16-17 CHARGER TDS&amp;STROBE TUBE 3/C EXT, CABLE 15' AMP/AMP customer supplied Radio and Computer additional labor billed at $95 per hour</td>
<td>WHELEN</td>
<td>1</td>
<td>245.70</td>
<td>245.70</td>
</tr>
<tr>
<td>CC5K1</td>
<td></td>
<td>WHELEN</td>
<td>1</td>
<td>28.00</td>
<td>28.00</td>
</tr>
<tr>
<td>IJ500ST</td>
<td></td>
<td>WHELEN</td>
<td>1</td>
<td>245.70</td>
<td>245.70</td>
</tr>
<tr>
<td>EXT15</td>
<td></td>
<td>WHELEN</td>
<td>1</td>
<td>28.00</td>
<td>28.00</td>
</tr>
</tbody>
</table>

Amount Subject to Sales Tax: 12352.86
Amount Exempt from Sales Tax: 225.00

Subtotal: $12,577.86
Total Sales Tax: $1,019.11
Total: $13,596.97
RESOLUTION NO. 2019-____
A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING A VEHICLE REPLACEMENT PURCHASE;
AND FURTHER APPROPRIATING FUNDS
========================================================================
WHEREAS, the Police Department’s 2016 Ford Police Interceptor Utility Vehicle (05-028) was involved in an on-duty vehicle collision which was determined to be the officer’s fault, and the vehicle was total loss; and

WHEREAS, the City settled with our insurance for the value of the vehicle, tax, and the transfer of emergency equipment totaling $27,538.64; and

WHEREAS, staff requests that the City Council authorize the replacement of the totaled 2016 Ford Police Interceptor Utility Vehicle with a 2020 Ford Police Interceptor Utility Vehicle from Folsom Lake Ford, a State of California contract dealer for government vehicles, in the amount of $40,986.99, plus an additional $13,596.97 for purchase and transfer of emergency and electronic equipment through Lehr Auto; and

WHEREAS, the $27,235.48 gap in insurance reimbursement and replacement cost will be paid from the vehicle replacement funds.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the replacement of the totaled 2016 Ford Police Interceptor Utility Vehicle Unit No. 05-028 with a 2020 Ford Police Interceptor Utility Vehicle from Folsom Lake Ford, a State of California contract dealer for government vehicles, in the amount of $40,986.99; and,

BE IT FURTHER RESOLVED that funds in the amount of $54,774.12 be appropriated for the vehicle purchase as shown as follows:

Insurance Reimbursement $27,538.64 (40300000.55020 – Revenue)
Vehicle Replacement Fund $54,774.12 (40399100.77040 – Expense)

BE IT FURTHER RESOLVED that funds not expended in the outlined fiscal year will roll over to the next budget year until completion of purchase.

Date: July 17, 2019
========================================================================
I hereby certify that Resolution No. 2019-____ was passed and adopted by the Lodi City Council in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk
2019-____
AGENDA TITLE: Adopt Resolution Approving Purchase of Palo Alto Networks Firewalls from CDW-G of Vernon Hills, Illinois ($49,624.60)

MEETING DATE: July 17, 2019

PREPARED BY: Information Technology Manager

RECOMMENDED ACTION: Adopt resolution approving purchase of Palo Alto Networks firewalls from CDW-G of Vernon Hills, Illinois in the amount of $49,624.60.

BACKGROUND INFORMATION: As part of the City’s efforts to replace aging network infrastructure, a firewall refresh is scheduled for calendar year 2019. The project is funded by budget appropriation in Fiscal Year 2019/20 and will replace aging network firewalls that will be end-of-life in 2020. This project will replace two existing firewalls that are failing and will not have manufacturer support by 2020. This project also adds three additional firewalls to add an additional level of security for all SCADA systems, Fixed Network and San Joaquin CLETS (law enforcement) connection. CDW-G will also contract services for the installation and programming of the two new main firewalls.

At the end of this project the City will have current technology to properly manage City network security at a granular level. Newer and more reliable equipment will improve network stability and lower the risk of network failure and better protect against infiltration of the network.

In accordance with Lodi Municipal Code Section 3.20.077, the Information Technology Manager has the ability to acquire electronic hardware through negotiation, requests for proposal or competitive bids and award based on “best value” criteria. The Information Technology Manager has selected to utilize the negotiation method for acquiring these Firewall appliances for the following reasons:

• IT manufactures will work with one value-added reseller (VAR) when creating quotes for products for a single customer.
• Other VARs will not quote a product from the same manufacturer if a prior quote had already been created for a competing VAR for a single customer.

It is the staff recommendation to purchase the Palo Alto Network firewall from CDWG, using contract California Multiple Award Schedules (CMAS) through EC America (3-13-70-0793E).

FISCAL IMPACT: The appropriation for this purchase is included in the Fiscal Year 2019/20 budget. There is no additional impact from this action. Failure to upgrade the firewall increases the City’s risk of a cyber-attack resulting in a delay of services to all City facilities and a general loss of productivity City-wide.

FUNDING AVAILABLE: Account No. 10020400.772450

APPROVED: ____________________________
Stephen Schwabauer, City Manager
Adopt Resolution Approving Purchase of Palo Alto Networks Firewalls from CDW-G of Vernon Hills, Illinois ($49,624.60)
July 17, 2019
Page 2 of 2

Andrew Keys
Deputy City Manager/Internal Services Director

Benjamin Buecher
Information Technology Division Manager
STATEMENT OF WORK

Project Name: City of Lodi's firewall migration
Customer Name: City of Lodi (CA)
CDW Affiliate: CDW Government, LLC.
Date Requested: March 28, 2019
Seller Services Manager: Devinder Singh
Version: 1

Seller Representative: Alex Mouroulis
8474197354
alemour@cdwg.com

Solution Architect: Chad Lumsden

This statement of work ("Statement of Work" or "SOW") is made and entered into on the date this SOW is signed by both parties (the "SOW Effective Date") by and between the undersigned, CDW Government, LLC. ("Provider", "Seller" and "we") and City of Lodi (CA) ("Customer" and "you").

PROJECT DESCRIPTION

PROJECT SCOPE

Customer currently has (2) Cisco 5545 firewalls running firmware version 9.9(2). Seller will provide professional services to migrate from the existing Cisco 5545 firewalls to (2) Palo Alto PA-850 firewalls in an Active/Standby HA-configuration. Seller will assist in design and implementation of the (2) PA-850 firewalls, a security solution leveraging the Palo Alto security platform.

As part of this project, Seller will perform the following tasks:

- General configuration of (2) Palo Alto PA-850 firewalls in an Active/Standby HA-configuration
  - Set the hostname, domain name, date and time
  - Configure Ethernet settings and sub-interfaces
  - Configure appropriate security level of interfaces
  - Configure Virtual Wire or Routed mode
  - Configure IP routing
- Design and configure stateful failover based on High Availability considerations for Customer
  - Configure the Control Link
  - Configure the Data Link
- Design and configuration of security rule sets relevant to Customer’s business and technical requirements
  - Configure authentication, authorization, and accounting (AAA) services for network access
- Configure inbound and outbound access-lists for permitting or denying network access
- Migrate existing configuration of NAT/PAT addressing policies to reflect connectivity requirements
- Design and configuration of any IPSec and/or SSL VPN connectivity requirements
  - Define IKE Crypto Profiles
  - Define IPSec Crypto Profiles
  - Configure tunnel monitoring
- Test VPN Connectivity based on Customer Use-Cases
- Design and configuration of QoS/Rate limiting
  - Configuration of 2 policies
- Migrate existing or define security zones
- Creation of security policies
  - Design and configure Threat Prevention Policy
  - Design and configure URL Filtering Policy
  - Design and configure WildFire Policy
  - Define and configure User Policy
  - Define and configure Application Policy
  - Define and configure DNS Inspection and Sinkhole Policy
  - Apply Security Policies to defined security zones
- Analysis and basic tuning of Threat Prevention

PROJECT PLAN

PLANNING

The planning phase consists of the following:

- Project Kickoff – The project team will be chartered and staff will be assigned to project roles. The team will review Customer’s needs, discuss/revise the project scope and assumptions, and finalize logistical details.
- Inventory Hardware – Seller staff will inventory, document, and hardware power-on test. Issues with faulty hardware, as well as inventory discrepancies, will be identified and resolved.
- Project Planning – Members of the project team will develop a detailed project plan and test plan for the Palo Alto Firewall with Next Generation Services deployment.

DESIGN

Seller will conduct a detailed design session with the project team. The goal of this design session is to identify and address architectural, security, and device management requirements. The design phase consists of the following sub-phases:

- Analysis – Seller and Customer technical staff will work together to:
  - Review network architecture, technical specifications, and VPN requirements
  - Analyze hardware configuration
  - Review industry best practices in order to develop baseline design information.
- Network Design – Seller staff will lead an effort to:
  - Develop the final design
  - Identify all security zones on the network
  - Map security zones to physical and virtual interfaces on the Firewall
  - Design site-to-site VPN considerations
- Documentation – Seller staff will document and diagram the Firewall with Next Generation Services design, including VPN.

STAGING

The process for staging, configuring and testing the Palo Alto Firewall can be further detailed as follows:

- Unpack the hardware (Customer responsibility)
- Upgrade the Firewall software to meet the standards specified in the design phase
- Build the Firewall configuration to the specifications documented in the design phase, including:
  - Firewall security zones
  - Apply initial security policies
  - VPN configuration
- Execute the test plan developed during the planning phase to ensure proper design and configuration

**Palo Alto Firewall Implementation**

The process for implementing the Palo Alto firewalls can be further detailed as follows:

- During a scheduled change period, the Palo Alto firewalls will be placed into production.
- Seller will work with Customer to perform application testing to validate the implemented firewall policy developed in the design phase of this project.
- Site to Site VPN connectivity will be tested

The Seller will provide day one support on the first production day following the cutover.

**Palo Alto Services Implementation**

The process for implementing the Palo Alto Services on the firewall can be further detailed as follows:

- An initial Threat Prevention policy in “alert, don’t block” configuration will be applied to begin creating a tuned ruleset based upon the initial network discovery information
- An initial URL filtering policy will be applied for web browsing and reporting
- An initial File Policy will be created to identify potential malware being transferred across the network or identify any infected hosts via the Security Intelligence information
- App-ID rules will be created using the identified applications in the Palo Alto Management Console’s

If a malware outbreak is identified Seller will assist Customer in identifying and remediating the infected hosts. If the outbreak is determined to be severe and Customer wishes Seller assistance with remediation a Change Order may be required for additional remediation efforts.

**Knowledge Transfer**

Seller will provide up to (4) hours of knowledge transfer for the Palo Alto Management interface. Topics include operational tasks, managing security policies and updates.

**Project Closure**

This phase signifies the end of the project. All services in the Description of Services section of this document are completed and all items to be provided are received by Customer.

**Customer Responsibilities**

Customer is responsible for the following:

1. Provide a (4) hour maintenance window to allow for the cutover to the Palo Alto solution.
2. Configuration of their LDAP environment when integrating with the Palo Alto solution. Seller will provide guidance on the required configuration for integration.
3. Customer will provide documentation for required connectivity through the firewall that includes source IP, destination IP, port, protocol information, and network address translation requirements. If traffic analysis is required to determine the appropriate connectivity information; it may result in a revision of the services estimate.
4. Customer is responsible for all change control procedures and notifications that are necessary for the performance of this project.
5. Customer is responsible for application testing performed during cutover(s).
6. Customer will provide full access to all required network devices within the scope of this project to Seller.
7. Customer is responsible for racking, cabling, and powering of all equipment
8. Customer is responsible for any additional hardware, software, certificates, and licenses that are required for installation.
9. Customer is responsible for interpreting firewall configuration or provide a resource who is familiar with the existing solution
10. Customer will provide at least one (1) domain member computer for installation of the Palo Alto User-ID agent to allow for user policy creation.

**PROJECT ASSUMPTIONS**

1. Customer will provide Seller staff with appropriate physical and network access to implement configurations defined in this statement of work.
2. There is adequate power, UPS, rack space, and network connectivity for the devices included on the bill of materials
3. For the Next Generation services, Seller will configure up to:
   a. (1) - Vulnerability Protection Profile
   b. (1) - Zone Protection Profile
   c. (1) - File Blocking Profile
   d. (1) - Wildfire Analysis Profile
   e. (2) - URL Filtering Profile
   f. (1) - Antivirus and Spyware Profile
   g. (2) - DNS Inspection Profile
4. Training documentation is not part of this project.
5. For Migration Deployments:
   a. Firewall configurations will be migrated ‘as-is’.
   b. Migrations may be manual and/or use Palo Alto’s Firewall Migration Tool. ***Note – Palo Alto Migration Tool only supports limited vendors and limited features within the configuration***
   c. In addition, Seller will migrate no more than (10) Interfaces/Zones
   d. In addition, Seller will migrate no more than (50) Security Policies
   e. In addition, Seller will migrate no more than (25) Network Address Translation (NAT) or Port Address Translation (PAT) entries
   f. In addition, Seller will migrate no more than (5) LAN-to-LAN VPN tunnels

**OUT OF SCOPE**

Tasks outside this SOW include, but are not limited to:

1. Configuration of any other network equipment not directly related task of implementing the Palo Alto Firewall with Next Generation services and configuring required services. Within scope are minor changes to existing network infrastructure that may need to occur to accommodate required services, such as VLAN configurations, routing, and AAA (authentication, authorization, accounting) services.
2. Racking, cabling, and powering hardware equipment
3. Custom Vulnerability Protect Profile Creation
4. Custom App ID creation
5. Firewall Configuration Cleanup and Optimization
6. Certificate distribution of certificates or configuration of existing PKI solution
7. SSL Decryption configuration
8. Panorama configuration
9. GlobalProtect configuration

Services not specified in this SOW are considered out of scope and will be addressed with a separate SOW or Change Order.

Item(s) Provided to Customer

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Format</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design and As-Built Document</td>
<td>A detailed design and as-built document including any Next-Generation Services and/or VPN services</td>
<td>PDF</td>
</tr>
<tr>
<td>Network Diagram</td>
<td>Diagram of logical and physical connectivity</td>
<td>Visio</td>
</tr>
</tbody>
</table>

**PROJECT MANAGEMENT**

Seller will assign a project management resource to perform the following activities during the project:

- **Kickoff Meeting.** Review SOW including project objectives and schedule, logistics, identify and confirm project participants and discuss project prerequisites.
- **Project Schedule or Plan.** A project schedule that details the schedule and resources assigned to the project.
- **Weekly Status Meetings and Reports.** Status meetings will be conducted on a weekly basis. During these meetings, Seller and you will discuss action items, tasks completed, tasks outstanding, issues and conduct a budget review.
- **Change Management.** When a change to a project occurs, Seller’s project change control process will be utilized.
- **Project Closure Meeting.** The project team will meet to recap the project activities, provide required documentation, discuss any next steps, and formally close the project.

**PROJECT SCHEDULING**

Customer and Seller, who will jointly manage this project, will together develop timelines for an anticipated schedule ("Anticipated Schedule") based on Seller's project management methodology. Any dates, deadlines, timelines or schedules contained in the Anticipated Schedule, in this SOW or otherwise, are estimates only, and the Parties will not rely on them for purposes other than initial planning.

**TOTAL FEES**

The total fees due and payable under this SOW ("Total Fees") include both fees for Seller’s performance of work ("Service Fees") and any other related costs and fees specified in the Expenses section ("Expenses"). Unless otherwise specified, taxes will be invoiced but are not included in any numbers or calculations provided herein.

Seller will invoice for the Total Fees.

**SERVICES FEES**

Services Fees will be calculated on a TIME AND MATERIALS basis.
The invoiced amount of Services Fees will equal the rate applicable for a unit of a service or resource ("Unit Rate") multiplied by the number of units being provided ("Billable Units") for each unit type provided by Seller (see Table 2).

The Total Estimated Services Fees of $17,150.00 is merely an estimate and does not represent a fixed fee. Neither the Total Estimated Billable Units of 82 nor the Total Estimated Services Fees are intended to limit the bounds of what may be requested or required for performance of the Services.

Table 2 – Services Fees

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>Unit Rate</th>
<th>Billable Units</th>
<th>Subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr. Security Engineer – Per Hour</td>
<td>$210.00</td>
<td>68</td>
<td>$14,280.00</td>
</tr>
<tr>
<td>Sr. Security Engineer OT – Per Hour</td>
<td>$315.00</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>Project Manager – Per Hour</td>
<td>$205.00</td>
<td>14</td>
<td>$2,870.00</td>
</tr>
<tr>
<td>Project Manager OT – Per Hour</td>
<td>$307.50</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>Estimated Totals</td>
<td></td>
<td>82</td>
<td>$17,150.00</td>
</tr>
</tbody>
</table>

The rates presented in Table 2 apply to scheduled Services that are performed during Standard Business Hours (meaning 8:00 a.m. to 5:00 p.m. local time, Monday through Friday, excluding holidays). When Seller invoices for scheduled Services that are not performed during Standard Business Hours, Services Fees will be calculated at 150% of the Unit Rates. For any unscheduled (i.e., emergency) Services performed at any time of the day, Services Fees will be calculated at 200% of the Unit Rates.

Any non-Hourly Units will be measured in one (1) unit increments when Services are performed remotely or at any Customer-Designated Location(s) (as defined below).

EXPENSES

When Seller’s personnel are located more than 80 miles from the Customer-Designated location, travel charges will apply. Seller will invoice Customer for the time Seller’s personnel spend traveling to and/or from the Customer-Designated Location(s) (or otherwise, as necessary) at a rate of $85/hour. Seller will make efforts to schedule appropriate personnel from Seller’s offices located nearest to the Customer-Designated Location(s) in order to minimize such expenses. Seller’s ability to do so may depend on various factors (e.g., specialized project skills needed, personnel availability, and changes to, or challenges inherent in, the Anticipated Schedule).

Seller will invoice Customer for Seller’s reasonable, direct costs incurred in performance of the Services. Direct expenses include, but may not be limited to: airfare, lodging, mileage, meals, shipping, lift rentals, photo copies, tolls and parking. Seller will charge actual costs for these expenses. Any projected expenses set forth in this SOW are estimates only.

Two (2) weeks’ advance notice from Customer is required for any necessary travel by Seller personnel.

CUSTOMER-DESIGNATED LOCATIONS

Seller will provide Services benefiting the locations specified on the attached Exhibit ("Customer-Designated Locations").
NOT FOR SIGNATURE

THIS DOCUMENT IS A DRAFT INTENDED ONLY FOR USE IN THE REVIEW OF TEXT APPLICABLE TO A POSSIBLE SERVICES ENGAGEMENT. IT DOES NOT CONSTITUTE A CONTRACT OR A PROPOSAL FOR A CONTRACT. THE CONTENT OF THIS DOCUMENT, AS IT MAY BE NEGOTIATED BY THE PARTIES, IS INTENDED TO BE INCORPORATED INTO A STATEMENT OF WORK, WHICH WILL INCLUDE OTHER PROVISIONS AND WHICH WILL BE GOVERNED BY ADDITIONAL TERMS AND CONDITIONS. A PARTY'S SIGNATURE OR OTHER INDICATION OF APPROVAL ON OR RELATED TO THIS DOCUMENT SHALL HAVE NO BINDING OR CONTRACTUAL EFFECT.
EXHIBIT A.

CUSTOMER-DESIGNATED LOCATIONS

Seller will provide Services benefiting the following locations ("Customer-Designated Locations").

Table 2 – Customer-Designated Locations

<table>
<thead>
<tr>
<th>Location(s)</th>
<th>Service(s)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Lodi</td>
<td>✔ Assessment</td>
<td>✔ Implementation</td>
</tr>
<tr>
<td>221 W Pine St.</td>
<td>✔ Configuration</td>
<td>✔ Project Management</td>
</tr>
<tr>
<td>Lodi, CA 95240</td>
<td>□ Design</td>
<td>□ Staff Augmentation</td>
</tr>
</tbody>
</table>
Dear Matt Casson,

Thank you for considering CDW•G for your computing needs. The details of your quote are below. Click to convert your quote to an order.

<table>
<thead>
<tr>
<th>QUOTE #</th>
<th>QUOTE DATE</th>
<th>QUOTE REFERENCE</th>
<th>CUSTOMER #</th>
<th>GRAND TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>KRTLJ69</td>
<td>6/20/2019</td>
<td>UPDATED PAN QUOTE</td>
<td>1348160</td>
<td>$32,474.60</td>
</tr>
</tbody>
</table>

**IMPORTANT - PLEASE READ**

Special Instructions: Please include this quote # on your PO and either fax it to 847 465 5133 or email it to elemond@cdwg.com. Thank you!

<table>
<thead>
<tr>
<th>ITEM</th>
<th>QTY</th>
<th>CDW#</th>
<th>UNIT PRICE</th>
<th>EXT. PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mfg. Part #: PAN-PA-850</td>
<td>2</td>
<td>4476776</td>
<td>$7,790.00</td>
<td>$15,580.00</td>
</tr>
<tr>
<td>UNSPSC: 43222501</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription: PA-850</td>
<td>2</td>
<td>4477595</td>
<td>$1,148.00</td>
<td>$2,296.00</td>
</tr>
<tr>
<td>UNSPSC: 43233204</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription: PA-850</td>
<td>2</td>
<td>4479672</td>
<td>$1,148.00</td>
<td>$2,296.00</td>
</tr>
<tr>
<td>UNSPSC: 43233205</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription: PA-850</td>
<td>2</td>
<td>4479676</td>
<td>$1,148.00</td>
<td>$2,296.00</td>
</tr>
<tr>
<td>UNSPSC: 43233204</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription: PA-850</td>
<td>2</td>
<td>4483063</td>
<td>$1,148.00</td>
<td>$2,296.00</td>
</tr>
<tr>
<td>UNSPSC: 43233204</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription: PA-850</td>
<td>2</td>
<td>4477854</td>
<td>$1,368.00</td>
<td>$2,736.00</td>
</tr>
<tr>
<td>UNSPSC: 43233204</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subscription: PA-850</td>
<td>2</td>
<td>4477854</td>
<td>$1,368.00</td>
<td>$2,736.00</td>
</tr>
<tr>
<td>UNSPSC: 43233204</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract</td>
<td>National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mfg. Part #: PAN-PA-220</td>
<td>4477661</td>
<td>3</td>
<td>$700.00</td>
<td>$2,100.00</td>
</tr>
<tr>
<td>UNSPSC: 43233205</td>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mfg. Part #: PAN-PA-220-TP</td>
<td>4477533</td>
<td>3</td>
<td>$164.00</td>
<td>$492.00</td>
</tr>
<tr>
<td>UNSPSC: 43233204</td>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mfg. Part #: PAN-PA-220-WF</td>
<td>4477841</td>
<td>3</td>
<td>$164.00</td>
<td>$492.00</td>
</tr>
<tr>
<td>UNSPSC: 41233204</td>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mfg. Part #: PAN-SVC-PREM-220</td>
<td>4477843</td>
<td>3</td>
<td>$144.00</td>
<td>$432.00</td>
</tr>
<tr>
<td>UNSPSC: 81111811</td>
<td>Electronic distribution - NO MEDIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract: National IPA Technology Solutions (2018011-01)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**PURCHASER BILLING INFO**

Billing Address:
CITY OF LODI
A/C TO PAYABLE
PO BOX 3006
LODI, CA 95241-1910
Phone: (209) 333-5538
Payment Terms: Net 30 Days Govt State/Local

| | SUBTOTAL | $31,016.00 |
| | SHIPPING | $0.00 |
| | SALES TAX | $1,458.60 |
| | GRAND TOTAL | $32,474.60 |

**DELIVER TO**

Shipping Address:
CITY OF LODI
MATT CASSON
221 W PINE ST
LODI, CA 95240 2089
Shipping Method: DROP SHIP GROUND

**Need Assistance? CDW® Sales Contact Information**

(866) 479-7354 alemour@cdw.com

This quote is subject to CDW's Terms and Conditions of Sales and Service Projects at

http://www.cdw.com/ContactUs/terms-conditions/product-sales.aspx

For more information, contact a CDW account manager

© 2019 CDW® LLC, 200 N. Milwaukee Avenue, Vernon Hills, IL 60061 | 800.808.4239
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE PURCHASE OF PALO ALTO NETWORKS FIREWALLS FROM CDW-G OF VERNON HILLS, ILLINOIS, UTILIZING CALIFORNIA MULTIPLE AWARD SCHEDULES THROUGH EC AMERICA CONTRACT NO. 3-13-70-0793E

WHEREAS, City of Lodi relies on the properly functioning network firewalls to secure the City’s network and data infrastructure from cyber-attacks; and

WHEREAS, the network architecture is complex, requires annual operational costs and parts, equipment replacement, and continuous staff hours to maintain; and

WHEREAS, Lodi Municipal Code Section 3.20.077 authorizes the Information Technology Manager to acquire electronic hardware through negotiation, requests for proposal, or competitive bids and award based on “best value” criteria; and

WHEREAS, the Information Technology Manager has selected to utilize the negotiation method for acquiring these firewalls and consulting services, as it is in the best interest of the City to purchase the Palo Alto Network firewall from CDW-G for $32,474.60; and

WHEREAS, the Information Systems Manager has selected to utilize CDW-G for the consulting, implementation and programming of the firewalls for $17,150; and

WHEREAS, funding for this project was approved by the adoption of the Fiscal Year 2019/20 budget.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the purchase of Palo Alto Network firewalls, implementation and programming from CDW-G, of Vernon Hills, Illinois, in the amount of $49,624.60, utilizing California Multiple Award Schedules through EC America Contract No. 3-13-70-0793E.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ as passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019 by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk

2019-____
AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute a Five-Year Contract with Axon Enterprise, Inc. for Body Camera and TASER® Subscription, Maintenance, and Licensing and Appropriate Funds ($702,634)

MEETING DATE: July 17, 2019

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute a five-year contract with Axon Enterprise, Inc. for body camera and TASER® subscription, maintenance, and licensing and appropriate funds in the amount of $702,634.63.

BACKGROUND INFORMATION: On August 20, 2014 Council approved the purchase of 45 X26P Tasers manufactured by Axon Enterprise, Inc. On December 15, 2015, the Lodi Police Department received Council approval on a five-year contract with Axon Enterprise, Inc for 75 body cameras, eight docking stations and the TASER Assurance Plan.

Since the approval of the body camera contract the department has realized that the amount of data storage that was included in the package is not adequate. The Axon data storage houses the department’s body camera recordings. Lodi Police Officers are required under department policy to record all encounters with the public which produces a large amount of videos and data. With the approval of the new contract the department will get unlimited storage allowing the department to keep all of their current and future videos and stay in compliance with public information act timelines.

A Taser is a brand of conducted electrical weapon sold by Axon, formerly TASER International. The Taser was introduced as a less-lethal force option for police to use to subdue fleeing, belligerent, or potentially dangerous people, who would have otherwise been subjected to more lethal force options such as firearms. Each officer currently carries a Taser, however, many of the devices are five years old, out of warranty, obsolete and need immediate replacement. In an ongoing effort to have a plan to replace old and outdated equipment the department would like to enter into Axon’s offering of an ongoing Taser subscription program that will give all of our officers new Tasers, cartridges, training, repairs and replacements. This agreement guarantees the department will always have the newest supported product.

The department is not considering going out to bid for the body cameras at this time. We still have two years on the current contract; this new contract will extend that by three years. We are happy with the quality of the cameras, video software, and our service. A change in vendor at this time would require us to transfer all of the videos to a new vendor and the transfer of current categorization of the videos would not be guaranteed. Axon is a sole source manufacturer of Tasers, there are no other options to compare bids.

APPROVED: ________________________________
Stephen Schwabauer, City Manager
FISCAL IMPACT: The total cost of the contract will be $702,634.63 over the next five fiscal years. Funds for the cameras and data storage ($73,976.73) is included in the projected expenditures for the Police Department’s FY 2019/20. Funds for the Tasers ($35,889.58) will be partially funded by the JAG grant. Future expenditures appropriated to Miscellaneous Professional Services account (10031004.72450).

FUNDING AVAILABLE: Miscellaneous Professional Services - $84,497.31 (10031004.72450)  
Jag Grant - $25,369 (21699000.77020)

Andrew Keys  
Deputy City Manager/Internal Services Director

_______________________________  
Tod Patterson  
Chief of Police
This Master Services and Purchasing Agreement ("Agreement") is between Axon Enterprise, Inc., a Delaware corporation ("Axon"), and the agency on the quote ("Agency"). This Agreement is effective as of the later of the (a) last signature date on this Agreement, or (b) signature date on the quote ("Effective Date"). Axon and Agency are each a "Party" and collectively "Parties".

This Agreement governs Agency's purchase and use of the Axon products and services detailed in the Quote Appendix ("Quote"). The Parties therefore agree as follows:

1. Term. This Agreement begins on the Effective Date and continues until terminated pursuant to this Agreement ("Term"). Agency may renew this Agreement for an additional 5 years upon execution of a new quote. New products and services may require additional terms. Axon will not authorize services until Axon receives a signed Quote or accepts a purchase order, whichever is first.

2. Definitions.
   "Axon Evidence" means Evidence.com and other software, maintenance, and storage provided by Axon for use with Axon Evidence. This excludes third-party applications and my.evidence.com.
   
   "Products" means all hardware, software, cloud-based services, and software maintenance releases and updates provided by Axon under this Agreement.
   
   "Quote" means an offer to sell and is only valid for products and services on the quote at the specified prices. Any terms within Agency's purchase order in response to a Quote will be void. Orders are subject to prior credit approval. Changes in the deployment estimated ship date may change charges in the Quote. Shipping dates are estimates only. Axon is not responsible for typographical errors in any offer by Axon and Axon reserves the right to cancel any orders resulting from such errors.
   
   "Services" means all services provided by Axon pursuant to this Agreement.

3. Payment. Axon invoices upon shipment. Payment is due net 30 days from the invoice date. Payment obligations are non-cancelable. Agency will pay invoices without setoff, deduction, or withholding. If Axon sends a past due account to collections, Agency is responsible for collection and attorneys' fees.

4. Taxes. Agency is responsible for sales and other taxes associated with the order, unless Agency provides Axon a valid tax exemption certificate.

5. Shipping. Axon may make partial shipments and ship Products from multiple locations. All shipments are FOB shipping point via common carrier. Title and risk of loss pass to Agency upon Axon's delivery to the common carrier. Agency is responsible for any shipping charges on the Quote.

6. Returns. All sales are final. Axon does not allow refunds or exchanges, except warranty returns or as provided by state or federal law.

7. Warranty.
   7.1 Hardware Limited Warranty. Axon warrants its law enforcement hardware is free from defects in workmanship and materials for 1 year from the date of Agency's receipt, except for Signal Sidearm, which Axon warrants for 30 months from the date of Agency's receipt. Axon warrants its accessories for 90-days from date of Agency's receipt. Expended conducted
energy weapon ("CEW") cartridges are deemed to have operated properly. Extended warranties run from expiration of the 1-year hardware limited warranty through the extended warranty term. Non-Axon manufactured products are not covered by Axon's warranty. Agency should contact the manufacturer for support of non-Axon manufactured products.

7.2 Claims. If Axon receives a valid warranty claim for an Axon manufactured product during the warranty term, Axon's sole responsibility is to repair or replace the product with the same or like product, at Axon's option. A replacement product will be new or like new and have the remaining warranty of the original product or 90 days from the date of repair or replacement, whichever is longer. When Agency exchanges a product or part, the replacement item becomes Agency's property and the replaced item becomes Axon's property. For support and warranty service visit www.axon.com/support. Before delivering a product for service, Agency must upload product data to Axon Evidence or download it and retain a copy. Axon is not responsible for any loss of software, data, or other information contained on the storage media or any part of the product.

7.3 Limitations. Axon's warranty excludes damage related to: (a) failure to follow Product use instructions; (b) Products used with products not manufactured or recommended by Axon; (c) abuse, misuse, intentional, or deliberate damage to the Product; (d) force majeure; (e) Products repaired or modified by persons other than Axon without Axon's written permission; or (f) Products with a defaced or removed serial number.

7.3.1 To the extent permitted by law, the warranties and remedies set forth above are exclusive and Axon disclaims all other warranties, remedies, and conditions, whether oral, written, statutory, or implied, as permitted by applicable law. If statutory or implied warranties cannot be lawfully disclaimed, then all such warranties are limited to the duration of the express warranty described above and limited by the other provisions contained in this Agreement.

7.3.2 Axon's cumulative liability to any Party for any loss or damage resulting from any claim, demand, or action arising out of or relating to any Axon Product will not exceed the purchase price paid to Axon for the Product or if for Services, the amount paid for such Services over the 12 months preceding the claim. Neither Party will be liable for direct, special, indirect, incidental, exemplary, punitive or consequential damages, however caused, whether for breach of warranty, breach of contract, negligence, strict liability, tort or any other legal theory.

8 Product Warnings. See www.axon.com/legal for the most current Axon product warnings.

9 Design Changes. Axon may make design changes to any Axon product or service without notifying Agency or making the same change to products and services previously purchased by Agency.

10 Insurance. Axon will maintain General Liability, Workers' Compensation, and Automobile Liability insurance. Upon request, Axon will supply certificates of insurance.

11 Indemnification. Axon will indemnify Agency's officers, directors, and employees ("Agency Indemnities") from and against all claims, demands, losses, liabilities, reasonable costs and expenses arising out of a third party claim against an Agency Indemnity resulting from any negligent act, error or omission, or willful misconduct by Axon under this Agreement, except to the extent of
negligent acts, omissions or willful misconduct by Agency or claims under workers compensation.

12 **IP Rights.** Axon owns and reserves all right, title, and interest in Axon products and services, related software, and suggestions to Axon. Axon has and claims proprietary rights in the hardware, firmware, software, and integration of ancillary materials, knowledge, and designs constituting Axon products and services. Agency will not directly or indirectly cause any Axon proprietary rights to be violated.

13 **IP Indemnification.** Axon will indemnify Agency Indemnityees from and against all claims, damages, losses, liabilities, reasonable costs and expenses arising out of or relating to any third-party claim alleging that use of Axon Products or services as permitted under this Agreement infringes or misappropriates the intellectual property rights of a third party. Agency must provide Axon with prompt written notice of such a claim, tender to Axon the defense or settlement of such a claim at Axon’s expense, and cooperate fully with Axon in the defense or settlement of such a claim.

Axon has no liability to Agency or any third party to the extent any alleged infringement or infringement claim is based upon: (a) modification of Axon Evidence by Agency or any third party not approved by Axon; (b) use of Axon Evidence in connection or in combination with hardware or services not approved or recommended by Axon; (c) use of Axon Evidence other than as permitted under this Agreement; or (d) use of other than the most current release or version of any software provided by Axon as part of or in connection with Axon Evidence.

14 **Agency Responsibilities.** Agency is responsible for (a) its use of Axon Products; (b) breach of this Agreement or violation of applicable law by Agency or any Agency end user; and (c) a dispute between Agency and a third party over Agency use of Axon Products.

15 **Termination.**

15.1 **For Breach.** A Party may terminate this Agreement for cause if it provides 30 days written notice of the breach to the other Party, and the breach remains uncorrected at the end of 30 days. If Agency terminates this Agreement due to Axon’s material breach, Axon will refund prepaid amounts on a pro rata basis based on the date of notice of termination.

15.2 **By Agency.** Agency is obligated to pay the fees under this Agreement. If sufficient funds are not appropriated or otherwise legally available to pay the fees, Agency may terminate this Agreement. Agency will deliver notice of termination under this section as soon as reasonably practicable. The date of such termination will be the date Axon receives notice from Agency.

15.3 **Effect of Termination.** Upon any termination of this Agreement, all Agency rights under this Agreement immediately terminate, and Agency remains responsible for all fees incurred prior to the date of termination. The following sections will survive termination: Payment, Warranty, Product Warnings, indemnification, IP Rights, and Agency Responsibilities. If Agency purchases Products for less than the manufacturer’s suggested retail price ("MSRP") and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Products received and amount paid towards those Products. If terminating for non-appropriations, Agency may return Products to Axon within 30 days of termination. MSRP is the standalone price of the individual Product at time of sale. For bundled Products, MSRP includes the standalone price of all individual components.
Confidentiality. "Confidential Information" means nonpublic information designated as confidential or, given the nature of the information or circumstances surrounding disclosure, should reasonably be understood to be confidential. Each Party will take reasonable measures to avoid disclosure, dissemination, or unauthorized use of the other Party's Confidential Information. Unless required by law, neither Party will disclose the other Party's Confidential Information during the Term and for 5-years thereafter. Axon pricing is Confidential Information and competition sensitive. If Agency is required by law to disclose Axon pricing, to the extent allowed by law, Agency will provide notice to Axon before disclosure. Axon may publicly announce information related to this Agreement.

General.

17.1 Delays. Axon will use commercially reasonable efforts to deliver Products and services as soon as practicable. If delivery is interrupted due to causes beyond Axon's control, Axon may delay or terminate the delivery with reasonable notice.

17.2 Force Majeure. Neither Party will be liable for any delay or failure to perform under this Agreement due to a cause beyond the Parties' reasonable control, including acts of God, labor disputes, industrial disturbances, utility failures, earthquake, storms, elements of nature, blockages, embargoes, riots, acts or orders of government, terrorism, or war.

17.3 Independent Contractors. The Parties are independent contractors. Neither Party has authority to bind the other. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary, or employment relationship between the Parties.

17.4 Third-Party Beneficiaries. There are no third-party beneficiaries under this Agreement.

17.5 Non-Discrimination. Neither Party nor its employees will discriminate against any person based on: race; religion; creed; color; sex; gender identity and expression; pregnancy; childbirth; breastfeeding; medical conditions related to pregnancy, childbirth, or breastfeeding; sexual orientation; marital status; age; national origin; ancestry; genetic information; disability; veteran status; or any class protected by local, state, or federal law.

17.6 Export Compliance. Each Party will comply with all import and export control laws and regulations.

17.7 Assignment. Neither Party may assign this Agreement without the other Party's prior written consent. Axon may assign this Agreement, its rights, or obligations without consent: (a) to an affiliate or subsidiary; or (b) for purposes of financing, merger, acquisition, corporate reorganization, or sale of all or substantially all its assets. This Agreement is binding upon the Parties respective successors and assigns.

17.8 Waiver. No waiver or delay by either Party in exercising any right under this Agreement constitutes a waiver of that right.

17.9 Severability. If a court of competent jurisdiction holds any portion of this Agreement invalid or unenforceable, the remaining portions of this Agreement will remain in effect.

17.10 Governing Law. The laws of the state where Agency is physically located, without reference
17.11 Notices. All notices must be in English. Notices posted on Agency's Axon Evidence site are effective upon posting. Notices by email are effective on the sent date of the email. Notices by personal delivery are effective immediately. Contact information for notices:

Axon: Axon Enterprise, Inc.  
      Attn: Contracts  
      17800 N. 85th Street  
      Scottsdale, Arizona 85255  
      contracts@axon.com

Agency: City of Lodi Police Department  
      Attn:  
      Street Address  
      215 E. Elm St.  
      Lodi, CA 95240  
      City, State, Zip  
      kkent@lodi.gov  
      Email

17.12 Entire Agreement. This Agreement, including the Appendices, represent the entire agreement between the Parties. This Agreement supersedes all prior agreements or understandings, whether written or verbal, regarding the subject matter of this Agreement. This Agreement may only be modified or amended in a writing signed by the Parties.

Each representative identified below declares that the representative is authorized to execute this Agreement as of the date of signature.

Axon Enterprise, Inc.

Signature: ________________________________
Name: ________________________________
Title: ________________________________
Date: ________________________________

Agency

Signature: ________________________________
Name: D. Stephen Schwabauer  
Title: City Manager
Date: ________________________________

Approved as to Form:

JANICE D. MAGDIC
City Attorney
1 **Axon Evidence Subscription Term.** The Axon Evidence subscription begins after shipment of the Axon body-worn cameras. If Axon ships the body-worn cameras in the first half of the month, the start date is the 1st of the following month. If Axon ships the body-worn cameras in the second half of the month, the start date is the 15th of the following month. For phased deployments, the start date begins on shipment of the first phase. For purchases solely of Axon Evidence subscriptions, the start date is the Effective Date. The Axon Evidence subscription term will end upon the completion of the Axon Evidence subscription as documented in the Quote ("Axon Evidence Subscription Term").

2 **Agency Content.** "Agency Content" means software, data, text, audio, video, images or any content Agency end users (a) run on Axon Evidence; (b) cause to interface with Axon Evidence; or (c) upload to Axon Evidence under Agency account or otherwise transfer, process, use or store in connection with Agency account.

3 **Access Rights.** Upon Axon granting Agency an Axon Evidence subscription, Agency may access and use Axon Evidence to store and manage Agency Content during the Axon Evidence Subscription Term. Agency may not exceed more end users than the Quote specifies. For Axon Evidence Lite, Agency may access and use Axon Evidence only to store and manage TASER CEW and TASER CAM data ("TASER Data") during the Axon Evidence Subscription Term. Agency may upload non-TASER Data to Axon Evidence Light.

4 **Agency Owns Agency Content.** Agency owns and controls all right, title, and interest in Agency Content. Except as outlined herein, Axon obtains no interest in Agency Content, and Agency Content are not business records of Axon. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Content. Axon will have limited access to Agency Content solely for providing and supporting Axon Evidence to Agency and Agency end users.

5 **Security.** Axon will implement commercially reasonable and appropriate measures to secure Agency Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital evidence; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

6 **Updates.** For Android applications, including Axon View, Device Manager, and Capture, Axon will use reasonable efforts to support previous version of applications for 45 days. If Agency does not update their Android application to the most current version within 45 days of release, Axon may disable the application or force updates to the non-supported application.

7 **Agency Responsibilities.** Agency is responsible for (a) ensuring Agency users comply with this Agreement; (b) ensuring Agency owns Agency Content; (c) ensuring no Agency Content or Agency end user's use of Agency Content or Axon Evidence violates this Agreement or applicable laws; and (d) maintaining necessary computer equipment and Internet connections for use of Axon Evidence. If Agency becomes aware of any violation of this Agreement by an
end user, Agency will immediately terminate that end user’s access to Axon Evidence. Agency is also responsible for maintaining the security of end user names and passwords and taking steps to maintain appropriate security and access by end users to Agency Content. Login credentials are for Agency internal use only and Agency may not sell, transfer, or sublicense them to any other entity or person. Audit log tracking for video data is an automatic feature of Axon Evidence that details who accesses Agency Content. Agency may download the audit log at any time. Agency shall contact Axon immediately if an unauthorized third party may be using Agency’s account or Agency Content, or if account information is lost or stolen.

8 **Privacy.** Axon will not disclose Agency Content or information about Agency except as compelled by a court or administrative body or required by law or regulation. If Axon receives a disclosure request for Agency Content, Axon will give Agency notice so Agency may file an objection with the court or administrative body. Agency agrees to allow Axon access to certain information from Agency to: (a) perform troubleshooting services upon request or as part of regular diagnostic screening; (b) enforce this Agreement or policies governing the use of Axon Evidence; or (c) perform analytic and diagnostic evaluations of the systems.

9 **Storage.** For Unlimited Axon Evidence body-worn camera subscriptions, Agency may store unlimited data in Agency’s Axon Evidence account only if data originates from Axon Capture or an Axon body-worn camera. Axon may charge additional fees for exceeding purchased storage amounts. Axon may place Agency Content that Agency has not viewed or accessed for 6 months into archival storage. Agency Content in archival storage will not have immediate availability and may take up to 24 hours to access.

10 **Location of Data Storage.** Axon may transfer Agency Content to third party subcontractors for storage. Axon will determine the locations of data centers for storage of Agency Content. For United States agencies, Axon will ensure all Agency Content stored in Axon Evidence remains within the United States. Ownership of Agency Content remains with Agency.

11 **Suspension.** Axon may suspend Agency’s or any end user’s right to access or use any portion or all of Axon Evidence immediately upon notice, if:

11.1. The Termination provisions of this Agreement apply; or

11.2. Agency or end user’s use of or registration for Axon Evidence may (a) pose a security risk to Axon Evidence or any third party; (b) adversely impact Axon Evidence, the systems, or content of any other customer; (c) subject Axon, Axon’s affiliates, or any third party to liability; or (d) be fraudulent.

Agency remains responsible for all fees and charges incurred through suspension. Axon will not delete Agency Content because of suspension, except as specified in this Agreement.

12 **Axon Evidence Warranty.** Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Evidence.

13 **Axon Evidence Restrictions.** All Axon Evidence subscriptions will immediately terminate if Agency does not comply with any term of this Agreement. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may
not attempt to:

13.1. copy, modify, tamper with, repair, or create derivative works of any part of Axon Evidence;
13.2. reverse engineer, disassemble, or decompile Axon Evidence or apply any process to derive any source code included in Axon Evidence, or allow others to do the same;
13.3. access or use Axon Evidence with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;
13.4. use trade secret information contained in Axon Evidence, except as expressly permitted in this Agreement;
13.5. access Axon Evidence to build a competitive product or service or copy any features, functions, or graphics of Axon Evidence;
13.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Evidence; or
13.7. use Axon Evidence to store or transmit infringing, libelous, or other unlawful or tortious material; to store or transmit material in violation of third party privacy rights; or to store or transmit malicious code.

14 After Termination. Axon will not delete Agency Content for 90-days following termination. During these 90-days, Agency may retrieve Agency Content only if Agency has paid all amounts due. There will be no functionality of Axon Evidence during these 90-days other than the ability to retrieve Agency Content. Agency will not incur additional fees if Agency downloads Agency Content from Axon Evidence during this time. Axon has no obligation to maintain or provide any Agency Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Content stored in Axon Evidence. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Content from Axon Evidence.

15 Post-Termination Assistance. Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Content, including requests for Axon's Data Egress Services, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

16 U.S. Government Rights. If Agency is a U.S. Federal department or using Axon Evidence on behalf of U.S. Federal department, Axon Evidence is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data," as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Evidence on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Evidence.

17 Survival. Upon any termination of this Agreement, the following sections will survive: Agency Owns Agency Content, Storage, Axon Evidence Warranty, and Axon Evidence Restrictions.
Professional Services Appendix

1 **Utilization of Services.** Agency must use pre-paid professional services as outlined in the Quote and this Appendix within 6 months of the Effective Date.

2 **Body-Worn Camera Full Service (BWC Full Service).** BWC Full Service includes 4 consecutive days of on-site service and a professional services manager to work with Agency to assess Agency’s deployment and determine which on-site services are appropriate. If Agency requires more than 4 consecutive on-site days, additional days are $2,500 per day. BWC Full Service options include:

<table>
<thead>
<tr>
<th>System set up and configuration</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Setup Axon View on smart phones (if applicable)</td>
</tr>
<tr>
<td>• Configure categories and custom roles based on Agency need</td>
</tr>
<tr>
<td>• Register cameras to Agency domain</td>
</tr>
<tr>
<td>• Troubleshoot IT issues with Axon Evidence and Axon Dock (&quot;Dock&quot;) access</td>
</tr>
<tr>
<td>• One on-site session included</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Dock configuration</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Work with Agency to decide ideal location of Docks and set configurations on Dock</td>
</tr>
<tr>
<td>• Authenticate Dock with Axon Evidence using admin credentials from Agency</td>
</tr>
<tr>
<td>• On-site assistance, not to include physical mounting of docks</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Best practice implementation planning session</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Provide considerations for establishment of video policy and system operations best practices based on Axon’s observations with other agencies</td>
</tr>
<tr>
<td>• Discuss importance of entering metadata in the field for organization purposes and other best practice for digital data management</td>
</tr>
<tr>
<td>• Provide referrals of other agencies using the Axon camera products and Axon Evidence</td>
</tr>
<tr>
<td>• Recommend rollout plan based on review of shift schedules</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>System Admin and troubleshooting training sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step-by-step explanation and assistance for Agency’s configuration of security, roles &amp; permissions, categories &amp; retention, and other specific settings for Axon Evidence</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Axon instructor training (Train the Trainer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training for Agency’s in-house instructors who can support Agency’s Axon camera and Axon Evidence training needs after Axon has fulfilled its contracted on-site obligations</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Evidence sharing training</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailored workflow instruction for Investigative Units on sharing Cases and Evidence with local prosecuting agencies</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>End user go live training and support sessions</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Assistance with device set up and configuration</td>
</tr>
<tr>
<td>• Training on device use, Axon Evidence and Evidence Sync</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Implementation document packet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories &amp; roles guide</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Post go live review</th>
</tr>
</thead>
</table>

3 **Body-Worn Camera 1-Day Service (BWC 1-Day).** BWC 1-Day includes one day of on-site services and a professional services manager to work closely with Agency to assess Agency’s deployment and determine which services are appropriate. If Agency requires more than 1 day of on-site
services, additional on-site assistance is $2,500 per day. The BWC 1-Day options include:

**System set up and configuration (Remote Support)**
- Setup Axon Mobile on smart phones (if applicable)
- Configure categories & custom roles based on Agency need
- Troubleshoot IT issues with Axon Evidence and Axon Dock ("Dock") access

**Dock configuration**
- Work with Agency to decide ideal location of Dock setup and set configurations on Dock
- Authenticate Dock with Axon Evidence using "Administrator" credentials from Agency
- Does not include physical mounting of docks

**Axon instructor training (Train the Trainer)**
Training for Agency’s in-house instructors who can support Agency’s Axon camera and Axon Evidence training needs after Axon’s has fulfilled its contracted on-site obligations

**End user go live training and support sessions**
- Assistance with device set up and configuration
- Training on device use, Axon Evidence and Evidence Sync

**Implementation document packet**
Axon Evidence administrator guides, camera implementation guides, network setup guide, sample policies, and categories & roles guide

4 **Body-Worn Camera Virtual 1-Day Service (BWC Virtual).** BWC Virtual includes all items in the BWC 1-Day Service Package, except one day of on-site services.

5 **CEW Services Packages.** CEW Services Package are detailed below:

**System set up and configuration**
- Configure Axon Evidence categories & custom roles based on Agency need.
- Troubleshoot IT issues with Axon Evidence.
- Register users and assign roles in Axon Evidence.
- **For the CEW Full Service Package:** On-site assistance included
- **For the CEW 1-Day Service Package:** Virtual assistance included

**Dedicated Project Manager**
Assignment of specific Axon representative for all aspects of planning the Product rollout (Project Manager). Ideally, Project Manager will be assigned to Agency 4–6 weeks prior to rollout

**Best practice implementation planning session to:**
- Provide considerations for establishment of CEW policy and system operations best practices based on Axon's observations with other agencies
- Discuss importance of entering metadata and best practices for digital data management
- Provide referrals to other agencies using TASER CEW Products and Axon Evidence
- **For the CEW Full Service Package:** On-site assistance included
- **For the CEW 1-Day Service Package:** Virtual assistance included

**System Admin and troubleshooting training sessions**
On-site sessions providing a step-by-step explanation and assistance for Agency's configuration of security, roles & permissions, categories & retention, and other specific settings for Axon Evidence
Axon Evidence Instructor training
- Provide training on the Axon Evidence with the goal of educating instructors who can support Agency’s subsequent Axon Evidence training needs.
- **For the CEW Full Service Package**: Training for up to 3 individuals at Agency
- **For the CEW 1-Day Service Package**: Training for up to 1 individual at Agency

**TASER CEW inspection and device assignment**
Axon’s on-site professional services team will perform functions check on all new TASER CEW Smart weapons and assign them to a user on Axon Evidence.

**Post go live review**
- **For the CEW Full Service Package**: On-site assistance included.
- **For the CEW 1-Day Service Package**: Virtual assistance included.

6 **Smart Weapon Transition Service.** The Smart Weapon Transition Service includes:

**Archival of CEW Firing Logs**
Axon’s on-site professional services team will upload CEW firing logs to Axon Evidence from all TASER CEW Smart Weapons that Agency is replacing with newer Smart Weapon models.

**Return of Old Weapons**
Axon’s on-site professional service team will ship all old weapons back to Axon’s headquarters.
Axon will provide Agency with a Certificate of Destruction

7 **Signal Sidearm Installation Service.** If Agency purchases Signal Sidearm Installation Service, Axon will provide one day of on-site services and one professional services manager and will cover the installation of up 100 Signal Sidearm devices per package purchased. Installation includes:

- Removal of existing connection screws that affix a holster to a holster mount
- Proper placement of the Signal Sidearm Mounting Plate between the holster and the mount
- Reattachment of the holster to the mount using appropriate screws
- Functional testing of Signal Sidearm device

Agency is responsible for providing an appropriate work area and ensuring all holsters that will have Signal Sidearm installed onto them are available on the agreed upon installation date(s).

8 **Out of Scope Services.** Axon is only responsible to perform the professional services described in the Quote and this Appendix. Any additional professional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

9 **Delivery of Services.** Axon personnel will work Monday through Friday, 8:30 a.m. to 5:30 p.m., except holidays. Axon will perform all on-site tasks over a consecutive timeframe. Axon will not charge Agency travel time by Axon personnel to Agency premises as work hours.

10 **Access Computer Systems to Perform Services.** Agency authorizes Axon to access relevant Agency computers and networks, solely for performing the Services. Axon will work to identify as soon as reasonably practicable resources and information Axon expects to use, and will
provide an initial itemized list to Agency. Agency is responsible for, and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.

11 **Site Preparation.** Axon will provide one copy of current user documentation for the Products in paper or electronic form ("Product User Documentation"). Product User Documentation will include all required environmental specifications in order for the professional services and related Products to operate in accordance with Product User Documentation. Prior to the installation of Product (whether performed by Agency or Axon), Agency must prepare the location(s) where the Products are to be installed ("Installation Site") in accordance with the environmental specifications in Product User Documentation. Following install, Agency must maintain the Installation Site in accordance with the environmental specifications. If Axon modifies Product User Documentation for any Products under this Agreement, Axon will provide the update to Agency when Axon generally releases it.

12 **Acceptance.** When Axon completes the professional services, Axon will present an acceptance form ("Acceptance Form") to Agency. Agency will sign the Acceptance Form acknowledging completion of professional services. If Agency reasonably believes Axon did not complete the professional services in substantial conformance with this Agreement, Agency must notify Axon in writing of the specific reasons for rejection within 7 calendar days from delivery of the Acceptance Form. Axon will address the issues and will re-present the Acceptance Form for approval and signature. If Axon does not receive the signed Acceptance Form or written notification of the reasons for rejection within 7 calendar days of delivery of the Acceptance Form, Agency will be deemed to have accepted the professional services.

13 **Agency Network.** For work performed by Axon transiting or making use of Agency’s network, Agency is solely responsible for maintenance and functionality of the network. In no event will Axon be liable for loss, damage, or corruption of Agency’s network from any cause.
Technology Assurance Plan Appendix

If Technology Assurance Plan ("TAP") or a bundle including TAP is on the Quote, this appendix applies.

1 **Term.** TAP begins after shipment of the hardware covered under TAP. If Axon ships hardware in the first half of the month, TAP starts the 1st of the following month. If Axon ships hardware in the second half of the month, TAP starts the 15th of the following month. ("TAP Term").

2 **TAP Warranty.** The TAP warranty is an extended warranty that starts at the end of the 1-year Hardware Limited Warranty.

3 **Spare Product.** Axon will provide Agency a predetermined number of spare Products for hardware items and accessories listed in the Quote ("Spare Products"). Spare Products will replace broken or non-functioning units. If Agency utilizes a Spare Product, Agency must return to Axon, through Axon's warranty return process, any broken or non-functioning units. Axon will repair the non-functioning unit or replace with a replacement Product. Upon termination, Axon will invoice Agency the MSRP then in effect for all Spare Products provided under TAP. If Agency returns the Spare Products to Axon within 30 days of the Spare Product invoice date, Axon will issue a credit and apply it against the Spare Product invoice.

4 **Officer Safety Plan Standard.** The Officer Safety Plan Standard ("OSP Standard") includes Axon Evidence Unlimited, TAP for Axon body-worn camera and Axon Dock, one TASER X2 or X26P CEW with a 4-year extended warranty, one CEW battery, and one CEW holster. Agency must purchase OSP for 5 years ("OSP Term"). At any time during the OSP Term, Agency may choose to receive the X2 or X26P CEW, battery and holster by providing a $0 purchase order.

5 **Officer Safety Plan 7.** Both the Officer Safety Plan 7 ("OSP 7") and Officer Safety Plan 7 Plus ("OSP 7 Plus") include Axon Evidence Unlimited, TAP for Axon body-worn camera and Axon Dock, one TASER 7 Certification Plan, Axon Records, and Axon Aware. OSP 7 Plus also includes Axon Aware Plus, Signal Sidearm, Auto-Tagging, Axon Performance, Axon Redaction Assistant, and Axon Citizen for Communities. Both OSP 7 offerings are subject to additional terms for services in their bundle. Agency must purchase an OSP 7 subscription for every TASER 7 CEW user. Agency must accept delivery of TASER 7 CEW and accessories as soon as available from Axon. Agency acknowledges some offerings in the OSP 7 bundles may not be generally available at the time of Agency's OSP 7 purchase. Axon will not provide a refund, credit, or additional discount beyond what is in the Quote due to a delay of availability or Agency's election not to utilize any portion of an OSP 7 bundle.

6 **OSP 7 Term.** OSP 7 bundles begin after Axon ships the first Axon Body 3 or TASER 7 device to Agency. If Axon ships in the first half of the month, the start date is the 1st of the following month. If Axon ships in the second half of the month, the start date is the 15th of the following month. For phased deployments, each phase has its own start date and end date based on the first shipment of that phase, in accordance with the above. Each OSP 7 will run 5 years from the OSP 7 start date ("OSP 7 Term").

7 **TAP Body-Worn Upgrade.** If Agency purchased 3 years of Axon Evidence Unlimited or TAP as
Master Services and Purchasing Agreement

a standalone and makes all payments, Axon will provide Agency a new Axon body-worn camera 3 years after TAP starts ("Body-Worn Upgrade"). If Agency purchases 5 years of Axon Evidence Unlimited, an OSP, or TAP as a standalone and makes all payments, Axon will provide Agency a Body-Worn Upgrade 2.5 and 5 years after TAP starts. Axon may ship the Body-Worn Upgrade at year 2.5 without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. In year 5, Axon may ship the Body-Worn Upgrade 60 days before the end of the TAP Term without prior confirmation from Agency.

7.1. **TAP as a Stand-alone.** If Agency purchased TAP as a standalone, Axon will provide a Body-Worn Upgrade that is the same or like product, at Axon’s option. Axon makes no guarantee the Body-Worn Upgrade will utilize the same accessories or Axon Dock. If Agency wants to change product models for the Body-Worn Upgrade, Agency must pay the price difference between the MSRP of the offered Body-Worn Upgrade and the MSRP of the model Agency is acquiring. The MSRP will be the MSRP in effect at the time of the upgrade. Axon will not provide a refund if the MSRP of the new model is less than the MSRP of the offered Body-Worn Upgrade.

7.2. **OSP or Unlimited TAP.** If Agency purchased Axon Evidence Unlimited or an OSP, Agency may choose a new on-officer video camera of Agency’s choice.

8 **TAP Dock Upgrade.** If Agency purchased TAP for Axon Dock, Axon Evidence Unlimited, or an OSP, Axon will upgrade the Axon Dock with a new Axon Dock ("Dock Upgrade"). If Agency purchased 3 years of Dock TAP, Axon will provide the Dock Upgrade 3 years after TAP starts. If Agency purchased 5 years of Dock TAP, Axon will provide a Dock Upgrade 2.5 and 5 years after TAP starts. The Dock Upgrade at year 2.5 will only include a new Axon Dock bay configuration unless a new Axon Dock core is required for body camera compatibility.

Axon may ship the Dock Upgrade at year 2.5 without prior confirmation from Agency unless the Parties agree in writing otherwise at least 90 days in advance. In year 5, Axon may ship the Dock Upgrade 60 days before the end of the TAP Term without prior confirmation from Agency. If Agency originally purchased a single-bay Axon Dock, the Dock Upgrade will be a single-bay Axon Dock model that is the same or like product, at Axon’s option. If Agency originally purchased a multi-bay Axon Dock, the Dock Upgrade will be a multi-bay Axon Dock model that is the same or like product, at Axon’s option.

If Agency would like to change product models for the Dock Upgrade or change the number of bays, Agency must pay the price difference between the MSRP for the offered Dock Upgrade and the MSRP for the model desired. The MSRP will be the MSRP in effect at the time of the upgrade. Axon will not provide a refund if the MSRP of the new model is less than the MSRP of the offered Dock Upgrade.

9 **Return of Original Product.** If Axon provides a warranty replacement 6 months before the date of a Body-Worn Upgrade or Dock Upgrade, that replacement is the upgrade. Within 30 days of receiving a Body-Worn or Dock Upgrade, Agency must return the original Products to Axon or destroy the Products and provide a certificate of destruction to Axon including serial numbers for the destroyed Products. If Agency does not return or destroy the Products, Axon
will deactivate the serial numbers for the Products received by Agency.

10 **Termination.** If Agency's payment for TAP, OSP, or Axon Evidence is more than 30 days past due, Axon may terminate TAP or OSP. Once TAP or OSP terminates for any reason:

10.1. TAP and OSP coverage terminates as of the date of termination and no refunds will be given. Axon will not provide the free upgrades.

10.2. Agency make any missed payments due to the termination before Agency may purchase any future TAP or OSP.

10.3. If any OSP terminates before the end of the OSP Term, Axon will invoice Agency the difference between the MSRP for Products received and amount paid towards those Products. If terminating for non-appropriations, Agency may return Products to Axon within 30 days of termination. MSRP is the standalone price of the individual Product at time of sale. For bundled Products, MSRP includes the standalone price of all individual components.
This TASER 7 Appendix applies to Agency's TASER 7, OSP 7, or OSP 7 Plus purchase from Axon

1. **Term.** If Agency purchases TASER 7 as part of OSP 7 or OSP 7 Plus, the start date for TASER 7 is the OSP 7 Term start date. Otherwise, the start date is based on initial shipment of TASER 7 hardware ("TASER 7 Start Date"). If Axon ships TASER 7 hardware in the first half of the month, the TASER 7 Start Date is the 1st of the following month. If Axon ships TASER 7 hardware in the last half of the month, the TASER 7 Start Date is the 15th of the following month. The TASER 7 term will end upon completion of the associated TASER 7 subscription in the Quote ("TASER 7 Term"). If the Quote has multiple TASER 7 ship dates, each shipment will have its own 60-month term, starting on the shipment of TASER 7 as described above.

2. **Unlimited Duty Cartridge Plan.** If the Quote includes "Unlimited Duty Cartridge Plan", Agency must purchase an Unlimited Duty Cartridge Plan for each CEW user. A CEW user includes officers that use a CEW in the line of duty, and ones that only use a CEW for training. Agency may not resell cartridges received under any TASER 7 plan. Axon will only replace cartridges used in the line of duty.

3. **Training.** If the Quote includes a training voucher, Agency must use the voucher within 1 year of issuance, or the voucher will be void. During the TASER 7 Term, Axon will issue Agency a voucher annually beginning on the TASER 7 Start Date. The voucher has no cash value. Agency cannot exchange it for another product or service. If the Quote includes Axon Online Training or Virtual Reality Content (collectively, "Training Content"), Agency may access Training Content during the TASER 7 Term. Axon will deliver all Training Content electronically. Unless stated in the Quote, the voucher does not include travel expenses and will be Agency's responsibility.

4. **Extended Warranty.** If the Quote includes a TASER 7 plan (TASER 7 Basic - Upfront Plus Subscription, TASER 7 Basic - Subscription, or TASER 7 Certification), extended warranty coverage is included for the TASER CEW, dock and core, and rechargeable battery as described in the Hardware Limited Warranty. TASER 7 plans extended warranty coverage begins on the TASER 7 Start Date and continues for the TASER 7 Term. If the Quote does not include a TASER 7 plan, Agency may purchase extended warranties to provide coverage.

5. **Spare Products.** Axon may provide Agency a fixed number of spares for TASER 7 hardware in the Quote ("Spare Products"). Spare Products will replace non-functioning units. If Agency uses a Spare Product, Agency must return non-functioning units to Axon, and Axon will repair or replace the non-functioning unit. If Agency does not return Spare Products to Axon within 30 days of termination of this Agreement, Axon will invoice Agency the MSRP then in effect for all unreturned Spare Products.

6. **Trade-In.** If a trade-in discount is on the Quote, Agency must return used hardware and accessories associated with the discount ("Trade-In Units") to Axon. Agency must ship batteries via ground shipping. Axon will pay shipping costs of the return. If Axon does not receive Trade-In Units within the timeframe below, Axon will invoice Agency the value of the trade-in discount. Agency may not destroy Trade-In Units and receive a trade-in discount.
### Agency Size | Days to Return from TASER 7 Start Date
---|---
Less than 100 officers | 30 days
100 to 499 officers | 90 days
500+ officers | 180 days

7. **Termination.** If payment for TASER 7 is more than 30 days past due, Axon may terminate Agency's TASER 7 plan by notifying Agency. Upon termination for any reason, then as of the date of termination:

7.1. TASER 7 extended warranties and access to Training Content will terminate. No refunds will be given.

7.2. Axon will invoice Agency the remaining MSRP for TASER 7 products received before termination. If terminating for non-appropriations, Axon will not invoice Agency if Agency returns the CEW, rechargeable battery, holster, dock, core, training suits, and unused cartridges to Axon within 30 days of the date of termination.

7.3. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future TASER 7 plan.
TASER 7 Axon Evidence Terms of Use Appendix

1 **Subscription Term.** The TASER 7 Axon Evidence Subscription Term begins on the TASER 7 or OSP 7 Start Date.

2 **TASER 7 Agency Content.** "TASER 7 Agency Content" means software, data, text, audio, video, images or other content any of Agency’s end users (a) run on Axon Evidence; (b) cause to interface with Axon Evidence; or (c) upload to Axon Evidence under Agency account or otherwise transfer, process, use or store in connection with Agency account.

3 **Access Rights.** Upon Axon granting Agency a TASER 7 Axon Evidence subscription, Agency may access and use Axon Evidence for the storage and management of data from TASER 7 CEW devices during the TASER 7 Axon Evidence Subscription Term. Agency may not upload any non-TASER 7 data or any other files to Axon Evidence. Agency may not exceed the number of end users than the Quote specifies.

4 **Agency Owns TASER 7 Agency Content.** Agency controls and owns all right, title, and interest in and to TASER 7 Agency Content and except as otherwise outlined herein, Axon obtains no interest in Agency Content, and Agency Content are not business records of Axon. Agency is solely responsible for the uploading, sharing, withdrawal, management and deletion of TASER 7 Agency Content. Axon will have limited access to TASER 7 Agency Content solely for providing and supporting Axon Evidence to Agency and Agency end users.

5 **Privacy.** Axon will not disclose Agency Content or any information about Agency except as compelled by a court or administrative body or required by any law or regulation. Axon will give notice if any disclosure request is received for Agency Content so Agency may file an objection with the court or administrative body. Agency acknowledges and agrees that Axon may access Agency Content in order to: (a) perform troubleshooting services upon request or as part of Axon’s maintenance or diagnostic screenings; (b) enforce this Agreement or policies governing use of Axon Evidence Services; (c) generate aggregated data, excluding information that can be used to distinguish or trace an individual’s identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual (collectively, “PII”), to improve, analyze, support, and operate Axon’s current and future products and services.

6 **Axon Evidence Terms of Use Appendix.** To the extent not in conflict with the terms in this Appendix, all terms in the Axon Evidence Terms of Use Appendix also apply to use of TASER 7 with Axon Evidence.
Axon Commander™ Software Appendix

1. **License.** Axon owns all executable instructions, images, icons, sound, and text in Commander. All rights are reserved to Axon. Axon grants a non-exclusive, royalty-free, worldwide right and license to use Commander. “Use” means storing, loading, installing, or executing Commander exclusively for data communication with an Axon product. Agency may use Commander in a networked environment on computers other than the computer it installs Commander on, so long as each execution of Commander is for data communication with an Axon product. Agency may make copies of Commander for archival purposes only. Agency shall retain all copyright, trademark, and proprietary notices in Commander on all copies or adaptations.

2. **Term.** The Quote will detail the duration of the Commander license, as well any maintenance. The term will begin upon installation of Commander by Axon.

3. **License Restrictions.** All licenses will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not use Commander for any purpose other than as expressly permitted by this Agreement. Agency may not:
   3.1 modify, tamper with, repair, or otherwise create derivative works of Commander;
   3.2 reverse engineer, disassemble, or decompile Commander or apply any process to derive the source code of Commander, or allow others to do the same;
   3.3 access or use Commander to avoid incurring fees or exceeding usage limits or quotas;
   3.4 copy Commander in whole or part, except as expressly permitted in this Agreement;
   3.5 use trade secret information contained in Commander;
   3.6 resell, rent, loan or sublicense Commander;
   3.7 access Commander to build a competitive product or service or copy any features, functions or graphics of Commander; or
   3.8 remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon’s licensors on or within Commander or any copies of Commander.

4. **Support.** Axon may make available updates and error corrections ("Updates") to Commander. Axon will provide Updates electronically via the Internet or media as determined by Axon. Agency is responsible for establishing and maintaining adequate access to the Internet to receive Updates. Agency is responsible for maintaining the computer equipment necessary to use Commander. Axon may provide technical support of a prior release/version of Commander for 6 months from when Axon made the subsequent release/version available.

5. **Termination.** Axon may terminate Agency’s license immediately for Agency’s failure to comply with any of the terms in this Agreement. Upon termination, Agency must immediately destroy Commander, including all copies, adaptations and merged portions in any form.
Axon Auto-Tagging Appendix

1 **Scope.** Axon Auto-Tagging consists of development of an integration module to allow Axon Evidence to interact with Agency's Computer-Aided Dispatch ("CAD") or Records Management Systems ("RMS"). This allows end users to auto populate Axon video meta-data with a case ID, category, and location based on data maintained in Agency's CAD or RMS. Agency must purchase Axon Auto-Tagging for every Axon Evidence user in Agency, even if the user does not have an Axon body camera.

2 **Support.** After completing Auto-Tagging Services, Axon will provide up to 5 hours of remote support at no additional charge. Axon will provide free support due to a change in Axon Evidence, so long as Agency maintains an Axon Evidence and Auto-Tagging subscription. Axon will not provide support if a change is required because Agency changes its CAD or RMS.

3 **Changes to Services.** Axon is only responsible to perform the services in this Appendix. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

4 **Agency Responsibilities.** Axon's performance of Auto-Tagging Services requires Agency:

   4.1. Making available relevant systems, including Agency's current CAD or RMS, for assessment by Axon (including remote access if possible);

   4.2. Making required modifications, upgrades or alterations to Agency's hardware, facilities, systems and networks related to Axon's performance of Auto-Tagging Services;

   4.3. Providing access to the premises where Axon is performing Auto-Tagging Services, subject to Agency safety and security restrictions, and allowing Axon to enter and exit the premises with laptops and materials needed to perform Auto-Tagging Services;

   4.4. Providing all infrastructure and software information (TCP/IP addresses, node names, network configuration) necessary for Axon to provide Auto-Tagging Services;

   4.5. Promptly installing and implementing any and all software updates provided by Axon;

   4.6. Ensuring that all appropriate data backups are performed;

   4.7. Providing assistance, participation, and approvals in testing Auto-Tagging Services;

   4.8. Providing Axon with remote access to Agency's Axon Evidence account when required;

   4.9. Notifying Axon of any network or machine maintenance that may impact the performance of the integration module at Agency; and

   4.10. Ensuring reasonable availability of knowledgeable staff and personnel to provide timely, accurate, complete, and up-to-date documentation and information to Axon.

5 **Access to Systems.** Agency authorizes Axon to access Agency's relevant computers, network systems, and CAD or RMS solely for performing Auto-Tagging Services. Axon will work diligently to identify as soon as reasonably practicable resources and information Axon expects to use, and will provide an initial list to Agency. Agency is responsible for, and assumes the risk of any problems, delays, losses, claims, or expenses resulting from the content, accuracy, completeness, and consistency of all data, materials, and information supplied by Agency.
Axon Interview Room Appendix

1  **Axon Interview Room Axon Evidence Term.** The Axon Evidence Subscription for Axon Interview Room begins after shipment of Axon Interview Room hardware. If Axon ships Axon Interview Room hardware in first half of the month, the Axon Interview Room start date is the 1st of the following month. If Axon ships Axon Interview Room hardware in the last half of the month, the start date is the 15th of the following month. For phased deployments, the Interview Room Subscription begins upon the shipment of the first phase, and subsequent phases will begin upon shipment of that phase. The Axon Interview Room subscription term will end upon the completion of the Axon Evidence subscription as documented in the Quote ("Interview Room Subscription").

2  **Statement of Work.** The Axon Interview Room Statement of Work ("Interview Room SOW") attached to this Appendix details Axon’s professional services deliverables. Axon is only responsible to perform services described in the Interview Room SOW. Additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in fees or schedule.

3  **Axon Interview Room Warranty.** Axon Interview Room Products are covered under the applicable third-party manufacturer’s warranty.

4  **Hardware Maintenance.** If Agency purchases Hardware Maintenance, the Axon Interview Room hardware listed in the Quote will receive extended warranty coverage during the term specified in the Quote ("Hardware Maintenance Term"). The Hardware Maintenance Term begins on Agency’s receipt of the hardware covered by the Hardware Maintenance and continues as long as Agency continues to pay the required Hardware Maintenance fees.

   If Axon receives a valid warranty claim within the Hardware Maintenance Term, Axon agrees to repair or replace the hardware that Axon determines in its sole discretion to be defective under normal use. Axon’s sole responsibility under this warranty is to either repair or replace damaged or defective hardware with the same or like hardware, at Axon’s discretion. Axon is not obligated to repair or replace hardware intentionally or deliberately damaged.

5  **Hardware Maintenance Termination.** If an invoice for Hardware Maintenance is more than 30 days past due Axon may terminate Hardware Maintenance. Once Hardware Maintenance coverage terminates for any reason, then: (a) Hardware Maintenance coverage will terminate as of the date of termination; and (b) Axon will not provide refunds, and has no obligation to, provide future support or services for hardware covered by Hardware Maintenance.

6  **Support.** Axon will provide remote customer service for troubleshooting hardware issues. If Axon deems it necessary, and at Axon’s sole discretion, Axon will provide an on-site technician.

7  **Axon Interview Room Unlimited.** For Axon Interview Room Unlimited Axon Evidence subscription, unlimited data may be stored as part of Axon Interview unlimited storage only if the data originates from Axon Interview Room hardware.
Axon Fleet Appendix

1 **Axon Fleet Axon Evidence Subscription.** The Axon Evidence subscription for Axon Fleet begins after shipment of Axon Fleet hardware. If Axon ships Fleet hardware in the first half of the month, the start date is the 1st of the following month. If Axon ships in the last half of the month, the start date is the 15th of the following month. For phased deployments, the Axon Fleet Subscription begins upon the shipment of the first phase. Subsequent phases will begin upon shipment of that phase. The Axon Fleet subscription term will end upon the completion of the Axon Evidence subscription as documented in the Quote (“Axon Fleet Subscription”).

2 **Agency Responsibilities.** Agency must ensure its infrastructure and vehicles adhere to the minimum requirements to operate Axon Fleet as established by Axon during the on-site assessment at Agency and in any technical qualifying questions. If Agency’s representations are inaccurate, the Quote is subject to change.

3 **CradlePoint.** If Agency purchases CradlePoint Enterprise Cloud Manager, Agency will comply with CradlePoint’s end user license agreement. The term of the CradlePoint license may differ from the Axon Fleet Subscription. CradlePoint installation is outside the scope of this Agreement. If Agency requires CradlePoint support, Agency will contact CradlePoint directly.

4 **Statement of Work.** If Agency purchases installation services for Axon Fleet, the Statement of Work (“Fleet SOW”) attached to this Appendix details Axon’s deliverables to Agency with respect to the installation of Axon Fleet and any related hardware. Axon is only responsible for performing the services described in the Fleet SOW. Any additional services are out of scope. Axon may subcontract any part of the Fleet SOW to a qualified subcontractor.

5 **Third Party Installer.** If Agency (a) installs Axon Fleet and related hardware without “train the trainer” services from Axon; (b) does not follow instructions provided by Axon during train the trainer, or (c) uses a third party to install the hardware (collectively, “Third Party Installer”), Axon will not be responsible for Third Party Installer’s failure to follow instructions relating to installation and use of Axon Fleet. Axon will not be liable for any degradation in performance that does not meet Axon’s specifications or damage to Axon Fleet hardware due to Third Party Installers.

5.1 Axon may charge Agency if Axon is required to (a) replace hardware damaged by Third Party Installer; (b) provide extensive remote support; or (c) send Axon personnel to Agency to replace hardware damaged by Third Party Installer.

5.2 If Agency utilizes Third Party Installer or their own IT infrastructure, Axon is not responsible for any system failure, including, the failure of the Axon Fleet hardware to operate in accordance with Axon's specifications.

6 **Wireless Offload Software.**

6.1 **License Grant.** Axon grants Agency a non-exclusive, royalty-free, worldwide, perpetual license to use Wireless Offload Software (“WOS”). “Use” means storing, loading, installing, or executing WOS solely for data communication with Axon Products for the number of licenses purchased. The WOS term begins upon the start of the Axon Fleet Subscription.
6.2. **License Restrictions.** All licenses granted in this Agreement are conditional on compliance with this Agreement and will immediately terminate if Agency does not comply with any term of this Agreement. Agency may not: (a) modify, alter, tamper with, repair, or create derivative works of WOS; (b) reverse engineer, disassemble, or decompile WOS, apply any process to derive the source code of WOS, or allow others to do so; (c) access or use WOS to avoid incurring fees or exceeding usage limits; (d) copy WOS in whole or part; (e) use trade secret information contained in WOS; (f) resell, rent, loan or sublicense WOS; (g) access WOS to build a competitive product or service or copy any features, functions or graphics of WOS; or (h) remove, alter or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon or Axon's licensors on or within WOS.

6.3. **Updates.** If Agency purchases WOS maintenance, Axon will make any updates and error corrections to WOS ("WOS Updates") available electronically via Internet or media as determined solely by Axon. Agency is responsible for establishing and maintaining adequate Internet access in order to receive WOS Updates and maintaining computer equipment necessary for use of WOS. The Quote will detail the maintenance term.

6.4. **WOS Support.** Upon request by Axon, Agency will provide Axon with access to Agency's store and forward servers solely for troubleshooting and maintenance.

7 **Wireless Microphone Subscription.** The Axon Fleet Wireless Microphone is only compatible with Axon Fleet 2. The Wireless Microphone subscription requires a 5-year term. If this Agreement terminates for any reason before the end of the 5-year term, Agency must pay the remaining MSRP for the Wireless Microphone, or if terminating for non-appropriations, return the Wireless Microphone to Axon.

8 **Fleet 2 Unlimited.** Both Fleet 2 Unlimited and Fleet 2 Unlimited 60 require a 5-year term. Both offerings provide a 4-year extended warranty on Axon Fleet camera hardware and unlimited Axon Evidence storage for data originating from an Axon Fleet Camera.

9 **Fleet 2 Unlimited Upgrade.** For Axon Fleet 2 Unlimited, 5-years after the start of the Axon Fleet Subscription, Axon will provide Agency with a new front and new rear Axon Fleet camera that is the same or like product, at Axon's sole option ("Axon Fleet Upgrade"). Axon Fleet 2 Unlimited 60 is not eligible to receive an Axon Fleet Upgrade.

After Agency makes the fifth Axon Fleet Unlimited payment, Agency may elect to receive the Axon Fleet Upgrade anytime in the fifth year of the Axon Fleet Subscription. If Agency would like to change models for the Axon Fleet Upgrade, Agency must pay the between the MSRP for the offered Axon Fleet Upgrade and the MSRP for the model desired. The MSRP is the MSRP in effect at the time of the upgrade. Agency is responsible for the removal of previously installed hardware and installation of the Axon Fleet Upgrade.

Within 30 days of receiving the Axon Fleet Upgrade, Agency must return the original Products to Axon or destroy the Products and provide a certificate of destruction to Axon, including serial numbers of the destroyed Products. If Agency does not destroy or return the Products to Axon, Axon will deactivate the serial numbers for the Products received by Agency.
10 **Spares.** Axon will provide Agency a predetermined number of spare Axon Fleet cameras for as listed in the Quote ("Fleet Spares"). Fleet Spares will replace broken or non-functioning units. If Agency utilizes a Fleet Spare, Agency must return to Axon, through Axon’s warranty return process, any broken or non-functioning units. Axon will repair the non-functioning unit or replace with a replacement Product.

11 **Fleet Unlimited Termination.** If Agency’s payment for any Axon Fleet Unlimited program or Axon Evidence is more than 30 days past due, Axon may terminate Axon Fleet Unlimited. Once Axon Fleet Unlimited terminates for any reason, then:

11.1. Axon Fleet Unlimited coverage terminates and no refunds will be given.

11.2. Axon will not and has no obligation to provide the Axon Fleet Upgrade Models.

11.3. Axon will invoice Agency the then current MSRP for all Spare Products provided under Axon Fleet Unlimited. If Agency returns Spare Products within 30 days of the invoice date, Axon will issue a credit and apply it against the Spare Product invoice.

11.4. Agency will be responsible for payment of any missed payments due to the termination before being allowed to purchase any future Axon Fleet Unlimited.

11.5. If Agency purchases Products for less than the MSRP and this Agreement terminates before the end of the Term, Axon will invoice Agency the difference between the MSRP for Products received and amount paid towards those Products. If terminating for non-appropriations, Agency may return Products to Axon within 30 days of termination. MSRP is the standalone price of the individual Product at time of sale. For bundled Products, MSRP includes the standalone price of all individual components.
This Axon Aware Appendix applies to both Axon Aware and Axon Aware Plus. Axon Aware Plus also includes Axon Aware.

1. **Axon Aware Subscription Term.** If Agency purchases Axon Aware as part of a bundled offering, the Axon Aware subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Aware to Agency.

   If Agency purchases Axon Aware as a standalone, the Axon Aware subscription begins the later of: (1) the date Axon provisions Axon Aware to Agency, or (2) the first day of the month following the Effective Date.

   The Axon Aware subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Aware.

2. **LTE Requirements.** Axon Aware is only available and usable with an LTE enabled body-worn camera. Axon is not liable if Agency utilizes the LTE device outside of the coverage area or if the LTE carrier is unavailable. LTE coverage is only available in the United States, including any U.S. territories. Axon may utilize a carrier of Axon's choice to provide LTE service. Axon may change LTE carriers during the Term without Agency' consent.

3. **Termination.** Upon termination of this Agreement, or if Agency stops paying for Axon Aware, or for bundles that include Axon Aware, Axon will end LTE service.
Axon Records Appendix

1. **Axon Records Subscription Term.** If Agency purchases Axon Records as part of a bundled offering, the Axon Records subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Records to Agency.

   If Agency purchases Axon Records as a standalone, the Axon Records subscription begins the later of (1) the date Axon provisions Axon Records to Agency or (2) the first day of the month following the Effective Date.

   The Axon Records subscription term will end upon the completion of the Axon Records subscription as documented in the Quote, or if purchased as part of an OSP 7 bundle, upon completion of the OSP 7 Term ("Axon Records Subscription").

2. **Agency Records Content.** "Agency Records Content" means software, data, text, audio, video, images or any content Agency end users (a) run on Axon Records (b) cause to interface with Axon Records, or (c) upload to Axon Records under Agency account or otherwise transfer, process, use or store in connection with Agency account.

3. **Access Rights.** Upon Axon granting Agency an Axon Records subscription, Agency may access and use Axon Records to store and manage Agency Records Content during the Records Subscription Term. Agency may not exceed the number of end users than the Quote specifies.

4. **Axon Records Core.** Axon Records Core includes the following applications: Report Writer, NIBRS Incident Reporting, Axon Evidence Integration, Case Management, Civil & Protection Orders (early 2020), Physical Property, Information Exchange Access, APIs. Additional applications, as well as any Axon services needed to configure Axon Records, are not included in the Axon Records Core fee or any bundle that includes Axon Records Core.

5. **Agency Owns Agency Records Content.** Agency controls and owns all right, title, and interest in Agency Records Content. Except as outlined herein, Axon obtains no interest in Agency Records Content, and Agency Records Content are not business records of Axon. Agency is solely responsible for uploading, sharing, managing, and deleting Agency Records Content. Axon will have limited access to Agency Records Content solely for providing and supporting Axon Records to Agency and Agency end users.

6. **Security.** Axon will implement commercially reasonable and appropriate measures to secure Agency Records Content against accidental or unlawful loss, access or disclosure. Axon will maintain a comprehensive information security program including logical, physical access, vulnerability, risk, and configuration management; incident monitoring and response; encryption of uploaded digital records; security education; and data protection. Axon agrees to the Federal Bureau of Investigation Criminal Justice Information Services Security Addendum.

7. **Agency Responsibilities.** Agency is responsible for (a) ensuring Agency users comply with this Agreement; (b) ensuring Agency owns Agency Records Content and no Agency Records
Content or Agency end user's use of Agency Records Content or Axon Records violates this Agreement or applicable laws; and (c) maintaining necessary computer equipment and Internet connections for use of Axon Records. If Agency becomes aware of any violation of this Agreement by an end user, Agency will immediately terminate that end user's access to Axon Records.

Agency is also responsible for maintaining the security of end user names and passwords and taking steps to maintain appropriate security and access by end users to Agency Records Content. Login credentials are for Agency internal use only and Agency may not sell, transfer, or sublicense them to any other entity or person. Audit log tracking for video data is an automatic feature of Axon Records that details who accesses Agency Records Content. Agency may download the audit log at any time. Agency shall contact Axon immediately if an unauthorized third party may be using Agency's account or Agency Records Content or if account information is lost or stolen.

8 **Privacy.** Axon will not disclose Agency Records Content or information about Agency except as compelled by a court or administrative body or required by law or regulation. If Axon receives a disclosure request for Agency Records Content, Axon will give Agency notice so Agency may file an objection with the court or administrative body. Agency agrees to allow Axon access to certain information from Agency to: (a) perform troubleshooting services upon request or as part of regular diagnostic screening; (b) enforce this Agreement or policies governing the use of Axon Records; or (c) perform analytic and diagnostic evaluations of the systems.

Agency hereby grants Axon an irrevocable, worldwide, royalty-free license to use Agency Content to enable Axon to create derivative works of 'scrubbed' Agency Content (collectively, "Derivative Data"). Axon may use Derivative Data to provide services to Agency, or to operate, maintain, improve, or create new products and services. Notwithstanding the foregoing and except as provided in this Agreement, Axon shall not disclose Agency Content or Derivative Data containing PII to any third party, and it will exercise commercially reasonable efforts to limit PII in Derivative Data, including, without limitation, encrypting Derivative Data in transit and stripping PII from metadata.

9 **Location of Data Storage.** Axon may transfer Agency Records Content to third party subcontractors for storage. Axon will determine the locations of data centers where Agency Records Content will be stored. For United States agencies, Axon will ensure all Agency Records Content stored in Axon Records remains within the United States. Ownership of Agency Records Content remains with Agency.

10 **Suspension.** Axon may suspend Agency's or any end user's right to access or use any portion or all of Axon Records immediately upon notice, if:
10.1. The Termination provisions of this Agreement apply; or
10.2. Agency or end user's use of or registration for Axon Records may (a) pose a security risk to Axon Evidence or any third party, (b) adversely impact Axon Records, the systems, or content of any other customer, (c) subject Axon, Axon's affiliates, or any third party to liability, or (d) be fraudulent.
Agency remains responsible for all fees and charges incurred through suspension. Axon will not delete Agency Records Content because of suspension, except as specified in this Agreement.

11 **Axon Records Warranty.** Axon disclaims any warranties or responsibility for data corruption or errors before Agency uploads data to Axon Records.

12 **Axon Records Restrictions.** All Axon Records subscriptions will immediately terminate if Agency does not comply with any term of this Agreement. Agency and Agency end users (including employees, contractors, agents, officers, volunteers, and directors), may not, or may not attempt to:

12.1. copy, modify, tamper with, repair, or create derivative works of any part of Axon Records;

12.2. reverse engineer, disassemble, or decompile Axon Records or apply any other process to derive any source code included in Axon Records, or allow any others to do the same;

12.3. access or use Axon Records with the intent to gain unauthorized access, avoid incurring fees or exceeding usage limits or quotas;

12.4. use trade secret information contained in Axon Records, except as expressly permitted in this Agreement;

12.5. access Axon Records to build a competitive product or service or copy any features, functions, or graphics of Axon Records;

12.6. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices) of Axon's or Axon's licensors on or within Axon Records; or

12.7. use Axon Records to store or transmit infringing, libelous, or otherwise unlawful or tortious material, to store or transmit material in violation of third party privacy rights, or to store or transmit malicious code.

13 **After Termination.** Axon will not delete Agency Records Content for 90-days following termination. During these 90-days, Agency may retrieve Agency Records Content only if Agency has paid all amounts due. There will be no functionality of Axon Records during these 90-days other than the ability to retrieve Agency Records Content. Agency will not incur additional fees if Agency downloads Agency Records Content from Axon Records during this time. Axon has no obligation to maintain or provide any Agency Records Content after these 90-days and will thereafter, unless legally prohibited, delete all Agency Records Content stored in Axon Records. Upon request, Axon will provide written proof that Axon successfully deleted and fully removed all Agency Records Content from Axon Records.

14 **Post-Termination Assistance.** Axon will provide Agency with the same post-termination data retrieval assistance that Axon generally makes available to all customers. Requests for Axon to provide additional assistance in downloading or transferring Agency Records Content, including requests for Axon's Data Egress Services, will result in additional fees and Axon will not warrant or guarantee data integrity or readability in the external system.

15 **U.S. Government Rights.** If Agency is a U.S. Federal department or using Axon Records on
behalf of U.S. Federal department, Axon Records is provided as a "commercial item," "commercial computer software," "commercial computer software documentation," and "technical data", as defined in the Federal Acquisition Regulation and Defense Federal Acquisition Regulation Supplement. If Agency is using Axon Records on behalf of the U.S. Government and these terms fail to meet the U.S. Government's needs or are inconsistent in any respect with federal law, Agency will immediately discontinue use of Axon Records.

16 **Survival.** Upon any termination of this Agreement, the following sections will survive: Agency Owns Agency Records Content, Storage, Axon Records Warranty, and Axon Records Restrictions.
Axon Citizen for Communities Appendix

1  **Axon Citizen Subscription Term.** If Agency purchases Axon Citizen for Communities as part of a bundled offering, the Axon Citizen subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Citizen to Agency.

   If Agency purchase Axon Citizen as a standalone, the Axon Citizen subscription begins the later of: (1) the date Axon provisions Axon Aware to Agency, or (2) the first day of the month following the Effective Date.

   The Axon Citizen subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Citizen.

2  **Storage.** Agency may store an unlimited amount of data submitted through the public portal ("Portal Content"), within Agency's Axon Evidence instance.

3  **Post-Termination.** The post-termination provisions outlined in the Axon Evidence Appendix also apply to Portal Content.
Axon Redaction Assistant Subscription Term. If Agency purchases Axon Redaction Assistant as part of a bundled offering, the Axon Redaction Assistant subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Redaction Assistant to Agency.

If Agency purchase Axon Redaction Assistant as a standalone, the Axon Redaction Assistant subscription begins the later of: (1) the date Axon provisions Axon Redaction Assistant to Agency, or (2) the first day of the month following the Effective Date.

The Axon Redaction Assistant subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Redaction Assistant.
Axon Performance Appendix

1. **Axon Performance Subscription Term.** If Agency purchases Axon Performance as part of a bundled offering, the Axon Performance subscription begins on the later of: (1) the start date of that bundled offering, or (2) the date Axon provisions Axon Performance to Agency.

If Agency purchase Axon Performance as a standalone, the Axon Performance subscription begins the later of: (1) the date Axon provisions Axon Performance to Agency or (2) the first day of the month following the Effective Date.

The Axon Performance subscription term will end upon the completion of the Axon Evidence Subscription associated with Axon Performance.

2. **Storage of Auto-Tagging Data.** In order to provide Axon Performance to Agency, Axon will need to store call for service data from Agency's CAD or RMS.
Axon Application Programming Interface Appendix

1 Definitions.

"API Client" means the software that acts as the interface between Agency's computer and the server, which is already developed or to be developed by Agency.

"API Interface" means software implemented by Agency to configure Agency's independent API Client Software to operate in conjunction with the API Service for Agency's authorized Use.

"Axon Evidence Partner API, API or AXON API" (collectively "API Service") means Axon's API which provides a programmatic means to access data in Agency's Axon Evidence account or integrate Agency's Axon Evidence account with other systems.

"Use" means any operation on Agency's data enabled by the supported API functionality.

2 Purpose and License.

2.1. Agency may use API Service and data made available through API Service, in connection with an API Client developed by Agency. Axon may monitor Agency's use of API Service to ensure quality, improve Axon products and services, and verify compliance with this Agreement. Agency agrees to not interfere with such monitoring or obscure from Axon Agency's use of API Service. Agency will not use API Service for commercial use.

2.2. Axon grants Agency a non-exclusive, non-transferable, non-sublicensable, worldwide, revocable right and license during the Term to use API Service, solely for Agency's Use in connection with Agency's API Client.

2.3. Axon reserves the right to set limitations on Agency's use of the API Service, such as a quota on operations, to ensure stability and availability of Axon's API. Axon will use reasonable efforts to accommodate use beyond the designated limits.

3 Configuration. Agency will work independently to configure Agency's API Client with API Service for Agency's applicable Use. Agency will be required to provide certain information (such as identification or contact details) as part of the registration. Registration information provided to Axon must be accurate. Agency will inform Axon promptly of any updates. Upon Agency's registration, Axon will provide documentation outlining API Service information.

4 Agency Responsibilities. When using API Service, Agency and its end users may not:

4.1. use API Service in any way other than as expressly permitted under this Agreement;

4.2. use in any way that results in, or could result in, any security breach to Axon;

4.3. perform an action with the intent of introducing any viruses, worms, defect, Trojan horses, malware, or any items of a destructive nature to Axon Products and Services;

4.4. interfere with, modify, disrupt or disable features or functionality of API Service or the servers or networks providing API Service;

4.5. reverse engineer, decompile, disassemble, or translate or attempt to extract the source code from API Service or any related software;

4.6. create an API Interface that functions substantially the same as API Service and offer it for use by third parties;
4.7. provide use of API Service on a service bureau, rental or managed services basis or permit other individuals or entities to create links to API Service;
4.8. frame or mirror API Service on any other server, or wireless or Internet-based device;
4.9. make available to a third party, any token, key, password or other login credentials to API Service;
4.10. take any action or inaction resulting in illegal, unauthorized or improper purposes; or disclose Axon's API manual.

5 API Content. All content related to API Service, other than Agency Content or Agency's API Client content, is considered Axon's API Content, including:
5.1. the design, structure and naming of API Service fields in all responses and requests;
5.2. the resources available within API Service for which Agency takes actions on, such as evidence, cases, users, or reports; and
5.3. the structure of and relationship of API Service resources; and
5.4. the design of API Service, in any part or as a whole.

6 Prohibitions on API Content. Neither Agency nor its end users will use API content returned from the API Interface to:
6.1. scrape, build databases, or otherwise create permanent copies of such content, or keep cached copies longer than permitted by the cache header;
6.2. copy, translate, modify, create a derivative work of, sell, lease, lend, convey, distribute, publicly display, or sublicense to any third party;
6.3. misrepresent the source or ownership; or
6.4. remove, alter, or obscure any confidentiality or proprietary rights notices (including copyright and trademark notices).

7 API Updates. Axon may update or modify the API Service from time to time, to better serve Agency ("API Update"). Agency is required to implement and use the most current version of API Service and to make any applicable changes to Agency's API Client that are required as a result of such API Update. API Updates may adversely affect the manner in which Agency's API Client access or communicate with API Service or the API Interface. Each API Client must contain means for Agency to update API Client to the most current version of API Service. Axon will provide support for a one year period following the release of an API Update for all depreciated API Service versions.
Advanced User Management Appendix

1. **Scope.** Advanced User Management allows Agency to (a) utilize bulk user creation and management; (b) automate user creation and management through System for Cross-domain Identity Management ("SCIM"); and (c) automate group creation and management through SCIM.

2. **Pricing.** Agency must purchase Advanced User Management for every Axon Evidence user in Agency, even if the user does not have an Axon body camera.

3. **Advanced User Management Configuration.** Agency will work independently to configure Agency's Advanced User Management for Agency's applicable Use. Upon request, Axon will provide general guidance to Agency, including documentation that details the setup and configuration process.
**AXON**

Master Services and Purchasing Agreement

**Axon Third Party Data Ingestion Services Appendix**

1. **Scope.** Agency currently has third party data outside of Axon Evidence ("Third Party Data") that Agency desires to store in Axon Evidence. The scope will consist of Axon transferring and ingesting Agency's Third Party Data into Axon Evidence. Axon will run a SHA on all Third Party Data. Axon will then transfer the data to cloud storage and run a hash on the Third Party Data to confirm it is the same. Once this is confirmed, Axon will extract, transform, and load the Third Party Data into Axon Evidence.

2. **Project Management.** Axon will assign a Project Manager to work closely with Agency's project manager and project team members and will be responsible for completing the tasks required to meet all contract deliverables on time and on budget.

3. **Changes to Services.** Axon is only responsible to perform the services described in this Appendix. Any additional services are out of scope. The Parties must document scope changes in a written and signed change order. Changes may require an equitable adjustment in the charges or schedule.

4. **Agency Responsibilities.** Axon's performance of Data Ingestion Services requires Agency:
   4.1. Making available its relevant systems for assessment by Axon (including making these systems available to Axon via remote access if possible);
   4.2. Providing access to the building facilities and where Axon is to perform the Data Ingestion Services, subject to safety and security restrictions imposed by Agency (including providing security passes or other necessary documentation to Axon representatives performing the Data Ingestion Services permitting them to enter and exit Agency premises with laptop personal computers and any other materials needed to perform the Data Ingestion Services);
   4.3. Providing all necessary infrastructure and software information (TCP/IP addresses, node names, and network configuration) necessary for Axon to provide the Data Ingestion Services;
   4.4. Ensuring that all appropriate data backups are performed;
   4.5. Providing Axon with remote access to Agency's Axon Evidence account when required for Axon to perform the Data Ingestion Services;
   4.6. Notifying Axon of any network or machine maintenance that may impact the performance of the Data Ingestion Services; and
   4.7. Ensuring the reasonable availability by phone or email of knowledgeable staff and personnel, system administrators, and operators to provide timely, accurate, complete, and up-to-date documentation and information to Axon (these contacts are to provide background information and clarification of information required to perform the Data Ingestion Services).
Axon Support Engineer Appendix

1 **Axon Support Engineer Payment.** Axon will invoice for Axon Support Engineer ("ASE") services, as outlined in the Quote, when the Axon Support Engineer commences work on-site at Agency.

2 **Full-Time ASE Scope of Services.**
   2.1. A Full-Time ASE will work on-site four (4) days per week.
   2.2. Agency’s Axon sales representative and Axon’s Customer Success team will work with Agency to define its support needs and ensure the Full-Time ASE has skills to align with those needs. There may be up to a 6-month waiting period before the Full-Time ASE can work on-site, depending upon Agency’s needs and availability of a Full-Time ASE.
   2.3. The purchase of Full-Time ASE services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency, and Agency is current on all payments for the Full-Time ASE service.

The Full-Time ASE service options are listed below:

**Ongoing System Set-up and Configuration**
- Assisting with assigning cameras and registering docks
- Maintaining Agency’s Axon Evidence account
- Connecting Agency to “Early Access” programs for new products

**Account Maintenance**
- Conducting on-site trainings on new features and products for Agency leadership team(s)
- Thoroughly documenting issues and workflows and suggesting new workflows to improve effectiveness of the Axon program
- Conducting weekly meetings to cover current issues and program status

**Data Analysis**
- Providing on-demand Axon usage data to identify trends and insights for improving daily workflows
- Comparing Agency’s Axon usage and trends to peers to establish best practices
- Proactively monitoring the health of Axon equipment and coordinating returns when needed

**Direct Support**
- Providing on-site, tier 1 and tier 2 technical support for Axon products
- Proactively monitoring the health of Axon equipment
- Creating and monitoring RMAs on-site
- Providing Axon app support
- Monitoring and testing new firmware and workflows before they are released to Agency’s production environment

**Customer Advocacy**
- Coordinating bi-yearly voice of customer meetings with Axon’s Product Management team
- Recording and tracking agency feature requests and major bugs

3 **Regional ASE Scope of Services**
   3.1. A Regional ASE will work on-site for 3 consecutive days per quarter. Agency must schedule the on-site days at least 2 weeks in advance. The Regional ASE will also be available by phone and email during regular business hours up to 8 hours per week.
3.2. There may be up to a 6-month waiting period before Axon assigns a Regional ASE to Agency, depending upon the availability of a Regional ASE.

3.3. The purchase of Regional ASE services includes 2 complimentary Axon Accelerate tickets per year of the Agreement, so long as the ASE has started work at Agency and Agency is current on all payments for the Regional ASE service.

The Regional ASE service options are listed below:

### Account Maintenance
- Conducting remote trainings on new features and products for Agency's leadership
- Thoroughly documenting issues and workflows and suggesting new workflows to improve effectiveness of the Axon program
- Conducting weekly conference calls to cover current issues and program status
- Visiting Agency quarterly (up to 3 consecutive days) to perform a quarterly business review, discuss your agency's goals for your Axon program, and continue to ensure a successful deployment of Axon products

### Direct Support
- Providing remote, tier 1 and tier 2 technical support for Axon products
- Creating and monitoring RMAs remotely

### Data Analysis
- Providing quarterly Axon usage data to identify trends and program efficiency opportunities
- Comparing an agency's Axon usage and trends to peers to establish best practices
- Proactively monitoring the health of Axon equipment and coordinating returns when needed

### Customer Advocacy
- Coordinating bi-yearly Voice of Customer meetings with Product Management team
- Recording and tracking agency feature requests and major bugs

4 **Out of Scope Services.** The ASE is responsible to perform only the services described in this Appendix. Any additional services discussed or implied that are not defined explicitly in this Appendix will be considered out of the scope.

5 **ASE Leave Time.** The ASE will be allowed up 7 days of sick leave and up to 15 days of vacation time per each calendar year. The ASE will work with Agency to coordinate any time off and will provide Agency with at least 2 weeks' notice prior to utilizing any vacation days.

The "Delta Logo," the “Axon + Delta Logo,” Axon, Axon Commander, Axon Convert, Axon Detect, Axon Dock, Axon Evidence, Axon Five, Axon Forensic Suite, Axon Interview, Axon Mobile, Axon Signal SidearmEvidence Sync, TASER, TASER 7, and TASER CAM are trademarks of Axon Enterprise, Inc., some of which are registered in the US and other countries. For more information visit [www.axon.com/legal](http://www.axon.com/legal). All rights reserved. © 2018 Axon Enterprise, Inc.
**Year 1 - Existing Users**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>85114</td>
<td>EVIDENCE.COM INCLUDED STORAGE (GB)-5 YEAR CONTRACT</td>
<td>3,000</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>80022</td>
<td>PRO EVIDENCE.COM LICENSE: YEAR 1 PAYMENT</td>
<td>6</td>
<td>468.00</td>
<td>468.00</td>
<td>2,808.00</td>
</tr>
<tr>
<td>85110</td>
<td>EVIDENCE.COM INCLUDED STORAGE</td>
<td>180</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Other**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>73460</td>
<td>EVIDENCE.COM UNLIMITED PLUS Dock Tap: 5 YEAR</td>
<td>75</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Evidence.com Unlimited Plus License Annual Payment</td>
<td>75</td>
<td>1,068.00</td>
<td>365.61</td>
<td>27,420.75</td>
</tr>
</tbody>
</table>

**Subtotal**

| Estimated Shipping | Estimated Tax | Total | 30,228.75 | 2,262.21 | 32,490.96 |

**Year 1 - 2:1 and New Users**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>85054</td>
<td>TASER ASSURANCE PLAN AXON FLEX ANNUAL PAYMENT</td>
<td>19</td>
<td>348.00</td>
<td>348.00</td>
<td>6,612.00</td>
</tr>
<tr>
<td>87026</td>
<td>TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT</td>
<td>4</td>
<td>336.00</td>
<td>336.00</td>
<td>1,344.00</td>
</tr>
<tr>
<td>85114</td>
<td>EVIDENCE.COM INCLUDED STORAGE (GB)-5 YEAR CONTRACT</td>
<td>240</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
### Year 1 - 2:1 and New Users (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardware</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11528</td>
<td>FLEX 2 CAMERA, (ONLINE)</td>
<td>19</td>
<td>449.00</td>
<td>449.00</td>
<td>8,531.00</td>
</tr>
<tr>
<td>11537</td>
<td>DOCK, FLEX 2, 6-BAY + CORE</td>
<td>4</td>
<td>1,495.00</td>
<td>1,495.00</td>
<td>5,980.00</td>
</tr>
<tr>
<td>11532</td>
<td>FLEX 2 CONTROLLER</td>
<td>19</td>
<td>250.00</td>
<td>250.00</td>
<td>4,750.00</td>
</tr>
<tr>
<td>11509</td>
<td>BELT CLIP, RAPIDLOCK</td>
<td>19</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>11534</td>
<td>USB SYNC CABLE, FLEX 2</td>
<td>19</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>11546</td>
<td>EPAULETTE MOUNT, FLEX 2</td>
<td>17</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>80108</td>
<td>5 YEAR TASER ASSURANCE PLAN AXON FLEX 2 CAMERA</td>
<td>19</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>80115</td>
<td>5 YEAR TASER ASSURANCE PLAN AXON FLEX 2 CONTROLLER</td>
<td>19</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>80110</td>
<td>5 YEAR TASER ASSURANCE PLAN AXON SIX BAY + HUB DOCK FLEX2</td>
<td>4</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>11548</td>
<td>UNIVERSAL HELMET MOUNT, FLEX 2</td>
<td>21</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>70033</td>
<td>WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK</td>
<td>4</td>
<td>42.00</td>
<td>42.00</td>
<td>168.00</td>
</tr>
<tr>
<td>74001</td>
<td>AXON CAMERA ASSEMBLY, ONLINE, AXON BODY 2, BLK</td>
<td>6</td>
<td>499.00</td>
<td>499.00</td>
<td>2,994.00</td>
</tr>
<tr>
<td>71026</td>
<td>MAGNET MOUNT, FLEXIBLE, AXON RAPIDLOCK</td>
<td>6</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>74021</td>
<td>MAGNET MOUNT, THICK OUTERWEAR, AXON RAPIDLOCK</td>
<td>6</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>11553</td>
<td>SYNC CABLE, USB A TO 2.5MM</td>
<td>6</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>74008</td>
<td>AXON DOCK, 6 BAY + CORE, AXON BODY 2</td>
<td>1</td>
<td>1,495.00</td>
<td>1,495.00</td>
<td>1,495.00</td>
</tr>
<tr>
<td>70033</td>
<td>WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK</td>
<td>1</td>
<td>42.00</td>
<td>42.00</td>
<td>42.00</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>73460</td>
<td>EVIDENCE.COM UNLIMITED PLUS DOCK TAP: 5 YEAR</td>
<td>6</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>73461</td>
<td>Evidence.com Unlimited Plus License Annual Payment</td>
<td>6</td>
<td>1,068.00</td>
<td>1,068.00</td>
<td>6,408.00</td>
</tr>
</tbody>
</table>

Subtotal: 38,324.00
Estimated Tax: 3,161.77
Total: 41,485.77

### Year 2

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Axon Plans &amp; Packages</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>80023</td>
<td>PRO EVIDENCE.COM LICENSE: YEAR 2 PAYMENT</td>
<td>6</td>
<td>468.00</td>
<td>468.00</td>
<td>2,808.00</td>
</tr>
<tr>
<td>85110</td>
<td>EVIDENCE.COM INCLUDED STORAGE</td>
<td>180</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
### Year 2 (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>85054</td>
<td>TASER ASSURANCE PLAN AXON FLEX ANNUAL PAYMENT</td>
<td>19</td>
<td>348.00</td>
<td>348.00</td>
<td>6,612.00</td>
</tr>
<tr>
<td>87026</td>
<td>TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT</td>
<td>4</td>
<td>336.00</td>
<td>336.00</td>
<td>1,344.00</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>73461</td>
<td>Evidence.com Unlimited Plus License Annual Payment</td>
<td>81</td>
<td>1,068.00</td>
<td>1,068.00</td>
<td>97,272.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Estimated Tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

### Year 3

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80024</td>
<td>PRO EVIDENCE.COM LICENSE: YEAR 3 PAYMENT</td>
<td>6</td>
<td>468.00</td>
<td>468.00</td>
<td>2,808.00</td>
</tr>
<tr>
<td>85110</td>
<td>EVIDENCE.COM INCLUDED STORAGE</td>
<td>180</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>85054</td>
<td>TASER ASSURANCE PLAN AXON FLEX ANNUAL PAYMENT</td>
<td>19</td>
<td>348.00</td>
<td>348.00</td>
<td>6,612.00</td>
</tr>
<tr>
<td>87026</td>
<td>TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT</td>
<td>4</td>
<td>336.00</td>
<td>336.00</td>
<td>1,344.00</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>73461</td>
<td>Evidence.com Unlimited Plus License Annual Payment</td>
<td>81</td>
<td>1,068.00</td>
<td>1,068.00</td>
<td>97,272.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Estimated Tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total</td>
</tr>
</tbody>
</table>

### Year 4

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80025</td>
<td>PRO EVIDENCE.COM LICENSE: YEAR 4 PAYMENT</td>
<td>6</td>
<td>468.00</td>
<td>468.00</td>
<td>2,808.00</td>
</tr>
<tr>
<td>85110</td>
<td>EVIDENCE.COM INCLUDED STORAGE</td>
<td>180</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>85054</td>
<td>TASER ASSURANCE PLAN AXON FLEX ANNUAL PAYMENT</td>
<td>19</td>
<td>348.00</td>
<td>348.00</td>
<td>6,612.00</td>
</tr>
<tr>
<td>87026</td>
<td>TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT</td>
<td>4</td>
<td>336.00</td>
<td>336.00</td>
<td>1,344.00</td>
</tr>
<tr>
<td><strong>Axon Plans &amp; Packages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Year 4 (Continued)

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>73461</td>
<td>Evidence.com Unlimited Plus License Annual Payment</td>
<td>81</td>
<td>1,068.00</td>
<td>1,068.00</td>
<td>86,508.00</td>
</tr>
</tbody>
</table>

**Subtotal** 97,272.00  
**Estimated Tax** 7,793.28  
**Total** 105,065.28

### Year 5

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>80026</td>
<td>PRO EVIDENCE.COM LICENSE: YEAR 5 PAYMENT</td>
<td>6</td>
<td>468.00</td>
<td>468.00</td>
<td>2,808.00</td>
</tr>
<tr>
<td>85110</td>
<td>EVIDENCE.COM INCLUDED STORAGE</td>
<td>180</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>85054</td>
<td>TASER ASSURANCE PLAN AXON FLEX ANNUAL PAYMENT</td>
<td>19</td>
<td>348.00</td>
<td>348.00</td>
<td>6,612.00</td>
</tr>
<tr>
<td>87026</td>
<td>TASER ASSURANCE PLAN DOCK 2 ANNUAL PAYMENT</td>
<td>4</td>
<td>336.00</td>
<td>336.00</td>
<td>1,344.00</td>
</tr>
</tbody>
</table>

### Other

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>73461</td>
<td>Evidence.com Unlimited Plus License Annual Payment</td>
<td>81</td>
<td>1,068.00</td>
<td>1,068.00</td>
<td>86,508.00</td>
</tr>
</tbody>
</table>

**Subtotal** 97,272.00  
**Estimated Tax** 7,793.28  
**Total** 105,065.28

**Grand Total** 494,237.85
## Discounts (USD)

Quote Expiration: 06/30/2019

<table>
<thead>
<tr>
<th></th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>List Amount</td>
<td>510,320.00</td>
</tr>
<tr>
<td>Discounts</td>
<td>52,679.25</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>457,640.75</strong></td>
</tr>
</tbody>
</table>

*Total excludes applicable taxes

## Summary of Payments

<table>
<thead>
<tr>
<th>Payment</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 - Existing Users</td>
<td>32,490.96</td>
</tr>
<tr>
<td>Year 1 - 2:1 and New Users</td>
<td>41,485.77</td>
</tr>
<tr>
<td>Year 2</td>
<td>105,065.28</td>
</tr>
<tr>
<td>Year 3</td>
<td>105,065.28</td>
</tr>
<tr>
<td>Year 4</td>
<td>105,065.28</td>
</tr>
<tr>
<td>Year 5</td>
<td>105,065.28</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>494,237.85</strong></td>
</tr>
</tbody>
</table>
Agency has existing contract #00006751 (originated via Q-43016) and is terminating this contract upon the new license start date (7/15/2019) of this quote.

The parties agree that Axon is granting a refund of $52,679.25 (applied to Year 1 licenses) to refund paid, but undelivered services. This discount is based on a ship date range of 6/16/2019-6/30/2019, resulting in a 7/15/2019 license date and is contingent on payment of Year 4 billing, due June 2019. Any change in this date and resulting license start date will result in modification of this discount value which may result in additional fees due to or from Axon.

Agency is electing to operate with a 2:1 camera workflow for 19 Axon Flex 2 cameras; secondary cameras will not need additional licenses.

Axon’s Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon’s Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature: ___________________________ Date: ___________________________

Name (Print): D. Stephen Schwabauer Title: City Manager

PO# (Or write N/A): ___________________________

Please sign and email to Chris Morton at cmorton@axon.com or fax to

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

Quote: Q-213333-43619.873CM

‘Protect Life’ and TASER® are registered trademarks of Axon Enterprise, Inc, registered in the U.S. © 2013
Axon Enterprise, Inc. All rights reserved.

Approved as to Form:

JANICE D. MAGDIC
City Attorney

Q-213333-43619.873CM
### Year 1

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Axon Plans &amp; Packages</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20141</td>
<td>TASER 7 EVIDENCE.COM LICENSE</td>
<td>83</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20141</td>
<td>TASER 7 EVIDENCE.COM LICENSE</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Hardware</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20008</td>
<td>TASER 7 HANDLE, HIGH VISIBILITY, CLASS 3R</td>
<td>83</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20040</td>
<td>TASER 7 HANDLE WARRANTY, 4-YEAR</td>
<td>83</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20042</td>
<td>TASER 7 DOCK &amp; CORE WARRANTY, 4-YEAR</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20018</td>
<td>TASER 7 BATTERY PACK, TACTICAL</td>
<td>99</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20041</td>
<td>TASER 7 BATTERY PACK WARRANTY, 4-YEAR</td>
<td>99</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20160</td>
<td>TASER 7 HOLSTER - SAFARILAND, RH+CAT CARRIER</td>
<td>83</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>74200</td>
<td>DOCK AND CORE, TASER 7</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>70033</td>
<td>WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK</td>
<td>1</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20143</td>
<td>TASER 7 BASIC PLUS HANDLE PLAN</td>
<td>83</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20082</td>
<td>TASER 7 BASIC - SUBSCRIPTION PLAN YEAR 1 PAYMENT</td>
<td>83</td>
<td>480.00</td>
<td>399.45</td>
<td>33,154.35</td>
</tr>
</tbody>
</table>

Subtotal:  33,154.35
Estimated Shipping:  0.00
Estimated Tax:  2,735.23
Total:  35,889.58
### Year 1 - Trade In

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20104</td>
<td>TASER 7 TRADE-IN UPFRONT PURCHASE</td>
<td>74</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20150</td>
<td>TASER 7 TRADE-IN CARTRIDGE</td>
<td>100</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Subtotal: 0.00

#### Estimated Tax: 0.00

#### Total: 0.00

### Spares

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20008</td>
<td>TASER 7 HANDLE, HIGH VISIBILITY, CLASS 3R</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20040</td>
<td>TASER 7 HANDLE WARRANTY, 4-YEAR</td>
<td>2</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Subtotal: 0.00

#### Estimated Tax: 0.00

#### Total: 0.00

### Year 2

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20083</td>
<td>TASER 7 BASIC - SUBSCRIPTION PLAN YEAR 2 PAYMENT</td>
<td>83</td>
<td>480.00</td>
<td>480.00</td>
<td>39,840.00</td>
</tr>
</tbody>
</table>

#### Subtotal: 39,840.00

#### Estimated Tax: 3,286.80

#### Total: 43,126.80

### Year 3

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20084</td>
<td>TASER 7 BASIC - SUBSCRIPTION PLAN YEAR 3 PAYMENT</td>
<td>83</td>
<td>480.00</td>
<td>480.00</td>
<td>39,840.00</td>
</tr>
</tbody>
</table>

#### Subtotal: 39,840.00

#### Estimated Tax: 3,286.80

#### Total: 43,126.80

---

Q-211526-43587.902KK

Protect Life.
### Year 4

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20085</td>
<td>TASER 7 BASIC - SUBSCRIPTION PLAN YEAR 4 PAYMENT</td>
<td>83</td>
<td>480.00</td>
<td>480.00</td>
<td>39,840.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td>39,840.00</td>
</tr>
<tr>
<td></td>
<td>Estimated Tax</td>
<td></td>
<td></td>
<td></td>
<td>3,286.80</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>43,126.80</td>
</tr>
</tbody>
</table>

### Year 5

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Quantity</th>
<th>List Unit Price</th>
<th>Net Unit Price</th>
<th>Total (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20086</td>
<td>TASER 7 BASIC - SUBSCRIPTION PLAN YEAR 5 PAYMENT</td>
<td>83</td>
<td>480.00</td>
<td>480.00</td>
<td>39,840.00</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td>39,840.00</td>
</tr>
<tr>
<td></td>
<td>Estimated Tax</td>
<td></td>
<td></td>
<td></td>
<td>3,286.80</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>43,126.80</td>
</tr>
</tbody>
</table>

Grand Total | 208,396.78
Discounts (USD)
Quote Expiration: 07/31/2019

<table>
<thead>
<tr>
<th>List Amount</th>
<th>199,200.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discounts</td>
<td>6,685.65</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>192,514.25</td>
</tr>
</tbody>
</table>

*Total excludes applicable taxes

Summary of Payments

<table>
<thead>
<tr>
<th>Payment</th>
<th>Amount (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>35,889.58</td>
</tr>
<tr>
<td>Year 1 - Trade In</td>
<td>0.00</td>
</tr>
<tr>
<td>Spares</td>
<td>0.00</td>
</tr>
<tr>
<td>Year 2</td>
<td>43,126.80</td>
</tr>
<tr>
<td>Year 3</td>
<td>43,126.80</td>
</tr>
<tr>
<td>Year 4</td>
<td>43,126.80</td>
</tr>
<tr>
<td>Year 5</td>
<td>43,126.80</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>208,396.78</strong></td>
</tr>
</tbody>
</table>
Axon’s Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon’s Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature: ___________________________  Date: ___________________________

Name (Print): ___________________________  Title: ___________________________

PO# (Or write N/A): ___________________________

Please sign and email to Kevin Knudsen at knudsen@taser.com or fax to 480-378-6269

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

Quote: Q-211526-43587.902KK

‘Protect Life© and TASER® are registered trademarks of Axon Enterprise, Inc, registered in the U.S. © 2013
Axon Enterprise, Inc. All rights reserved.
IMPORTANT

Customer certifies that all Products will be removed from service to be destroyed and/or rendered permanently nonfunctional. Products must not be resold or redistributed. Destruction of Products should be performed according to Customer's policy. Axon is not responsible for Product warranty or any liability related to Products certified as destroyed, and reserves the right to require verification that destruction has been performed.

The undersigned represents and warrants that he/she is duly authorized and has legal capacity to execute and deliver this Certificate of Destruction on behalf of the Agency.

Lodi Police Dept. - CA

<table>
<thead>
<tr>
<th>Product(s) to be Destroyed</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Signature</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name (Print)</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Return this signed form, and your purchase order/quote (if applicable) to your sales representative and our returned materials authorization department at rma@axon.com.

Axon, TASER, M26, X26, Axon Body, Axon Body 2, Axon Dock, Axon Flex, Axon Flex 2, Axon Fleet, and the "Delta Axon Logo" are trademarks of Axon Enterprise, Inc., registered in the US and other countries. For more information, visit www.axon.com/legal. All rights reserved. © 2018 Axon Enterprise, Inc.
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A FIVE-YEAR CONTRACT
WITH THE SOLE-SOURCE MANUFACTURER,
AXON ENTERPRISE, INC., OF SCOTTSDALE, ARIZONA, FOR
BODY CAMERA AND TASER SUBSCRIPTION, MAINTENANCE,
AND LICENSING; AND FURTHER APPROPRIATING FUNDS

WHEREAS, on August 20, 2014, Council approved the purchase of 45 TASERs® X26P
Tasers manufactured by Axon Enterprise, Inc. Then on December 15, 2015, the Lodi Police
Department received Council approval on a five-year contract with Axon Enterprise, Inc., for 75
body cameras, eight docking stations, and the TASER Assurance Plan; and

WHEREAS, since the approval of the body camera contract, the department has
realized that the amount of data storage that was included in the package is not adequate; and

WHEREAS, each officer currently carries a Taser, however, many of the devices are
five years old, are out of warranty, are obsolete and need immediate replacement; and

WHEREAS, with the approval of the new contract, the department will get unlimited
storage, allowing the department to keep all of their current and future videos and stay in
compliance with public information act timelines; and

WHEREAS, the ongoing Taser subscription program will give all officers new Tasers,
cartridges, training, repairs, and replacements.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize the City Manager to execute a five-year contract with the sole-source manufacturer,
Axon Enterprise, Inc., of Scottsdale, Arizona, for body camera and TASER® subscription,
maintenance, and licensing in the amount of $702,634.63; and

BE IT FURTHER RESOLVED that 2019/20 funds in the amount of $109,866.31 be
appropriated for the contract as follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miscellaneous Professional Services</td>
<td>$84,497.31</td>
<td>(10031004.72450)</td>
</tr>
<tr>
<td>Jag Grant</td>
<td>$25,369.00</td>
<td>(21699000.77020)</td>
</tr>
</tbody>
</table>

Date: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the Lodi City
Council in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk
2019-____
AGENDA ITEM C-08

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Awarding Contract for McLane Substation Upgrade Project to Wilson Utility Construction Co. of Canby, Oregon ($1,605,836), Authorizing City Manager to Execute Change Orders ($194,164), and Appropriating Funds ($400,000)

MEETING DATE: July 17, 2019

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution awarding a contract for the McLane Substation Upgrade Project to Wilson Utility Construction Co. of Canby, Oregon, in the amount of $1,605,836, authorizing the City Manager to execute change orders in an amount not-to-exceed $194,164, and appropriating funds in the amount of $400,000.

BACKGROUND INFORMATION: The McLane Substation circuit breakers and relay protection equipment are approximately 40 years old and prone to abrupt failure. Plans and specifications associated with the upgrade of the substation equipment and technology were approved by the City Council on April 17, 2019. The City received the following two bids for this project on May 29, 2019:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid ($)</th>
<th>Above/(Below) Engineer's Estimate ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineer's Estimate</td>
<td>1,400,000.00</td>
<td>N/A</td>
</tr>
<tr>
<td>Wilson Utility Construction Co.</td>
<td>1,605,835.28</td>
<td>205,835.28</td>
</tr>
<tr>
<td>NHVS Inc.</td>
<td>2,129,627.00</td>
<td>729,627.00</td>
</tr>
</tbody>
</table>

The engineer’s estimate, prepared by Leidos, is based on prior unit prices from similar projects. Market forces continue to inflate construction costs and, while higher than estimated, the bid received from Wilson Utility Construction Co. has been deemed reasonable when considering these factors.

Staff recommends awarding the contract for the McLane Substation Upgrade Project to Wilson Utility Construction Co. in the amount of $1,605,836, authorizing the City Manager to execute change orders in an amount not to exceed $194,164 to account for project contingencies, and appropriating funds in the amount of $400,000 to account for the difference between the current authorized appropriation of $1.4 million in the approved Fiscal Year 2019/20 Capital Improvement Program (CIP) and the total estimated cost of $1.8 million, including the actual bid cost and project contingencies.

This project is in accordance with the Lodi Electric Utility (LEU) Strategic Plan whereby LEU will design, operate, and maintain the distribution system to ensure reliable electric service.

FISCAL IMPACT: Not applicable.

APPROVED: ____________________________
Stephen Schwabauer, City Manager
Adopt Resolution Awarding Contract for McLane Substation Upgrade Project to Wilson Utility Construction Co. of Canby, Oregon ($1,605,836), Authorizing City Manager to Execute Change Orders ($194,164), and Appropriating Funds ($400,000)

July 17, 2019

Page 2

FUNDING AVAILABLE: $1.4 million included in FY 2019/20 CIP (Project No. EUCP-18148). Additional $400,000 appropriation requested from LEU Fund Balance (Fund 500) to LEU Capital Fund 501 (Project No. EUCP-18148).

Andrew C. Keys
Deputy City Manager/Internal Services Director

Melissa Price
Interim Electric Utility Director

PREPARED BY: Hasan Shahriar, P.E., Senior Power Engineer

________________________________________________________________________

APPROVED: ________________

Stephen Schwabauer, City Manager
CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and Wilson Utility Construction Company, herein referred to as the "Contractor."

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents which are incorporated herein by this reference, to-wit:

- Notice Inviting Bids
- Information to Bidders
- General Provisions
- Special Provisions
- Bid Proposal
- Contract
- Contract Bonds
- Plans
- The July 1992 Edition,
- Standard Specifications,
- State of California,
- Business and Transportation Agency,
- Department of Transportation

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training
programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:

Perform the work necessary to to add an additional 12 kV distribution bay, provide and replace select power circuit breakers, and to provide and install a control building into the McLane Substation, all as shown on the plans and specifications for Construction Modifications and other incidental and related work, all as shown on the plans and specifications for "Construction Modifications".

**CONTRACT PRICE OR AMOUNT**

<table>
<thead>
<tr>
<th>ITEM NO.</th>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>UNIT PRICE</th>
<th>EXTENDED PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Circuit Breaker, 60kV, 1200 Amp</td>
<td>LS</td>
<td>145,835.94</td>
<td>145,835.94</td>
</tr>
<tr>
<td>2</td>
<td>Circuit Breaker, 12kV</td>
<td>LS</td>
<td>134,025.97</td>
<td>134,025.97</td>
</tr>
<tr>
<td>3</td>
<td>Hookstick Operated Switch, 12kV, 600 Amp</td>
<td>LS</td>
<td>20,698.45</td>
<td>20,698.45</td>
</tr>
<tr>
<td>4</td>
<td>PT Cutouts</td>
<td>LS</td>
<td>2,888.08</td>
<td>2,888.08</td>
</tr>
<tr>
<td>5</td>
<td>Potential Transformer 7200kV</td>
<td>LS</td>
<td>3,887.98</td>
<td>3,887.98</td>
</tr>
<tr>
<td>6</td>
<td>12kV Distribution Structure</td>
<td>LS</td>
<td>7,906.46</td>
<td>7,906.46</td>
</tr>
<tr>
<td>7</td>
<td>Insulators</td>
<td>LS</td>
<td>3,443.07</td>
<td>3,443.07</td>
</tr>
<tr>
<td>8</td>
<td>3&quot; Bus</td>
<td>LS</td>
<td>2,492.40</td>
<td>2,492.40</td>
</tr>
<tr>
<td>9</td>
<td>Connections</td>
<td>LS</td>
<td>9,210.00</td>
<td>9,210.00</td>
</tr>
<tr>
<td>10</td>
<td>Flexible Jumper</td>
<td>LS</td>
<td>44,423.60</td>
<td>44,423.60</td>
</tr>
<tr>
<td>11</td>
<td>Conduit</td>
<td>LS</td>
<td>61,297.93</td>
<td>61,297.93</td>
</tr>
<tr>
<td>12</td>
<td>Cable</td>
<td>LS</td>
<td>289,054.77</td>
<td>289,054.77</td>
</tr>
<tr>
<td>13</td>
<td>Grounding</td>
<td>LS</td>
<td>7,439.91</td>
<td>7,439.91</td>
</tr>
<tr>
<td>14</td>
<td>Control Building</td>
<td>LS</td>
<td>413,080.22</td>
<td>413,080.22</td>
</tr>
<tr>
<td>15</td>
<td>Mobilization</td>
<td>LS</td>
<td>33,491.24</td>
<td>33,491.24</td>
</tr>
<tr>
<td>16</td>
<td>Sitework Layout/Gates</td>
<td>LS</td>
<td>91,630.40</td>
<td>91,630.40</td>
</tr>
<tr>
<td>17</td>
<td>Concrete Foundations (CY)</td>
<td>40</td>
<td>67,784.58</td>
<td>67,784.58</td>
</tr>
<tr>
<td>18</td>
<td>Above Grade Structure/Bus/Equipment</td>
<td>LS</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>19</td>
<td>Conduit &amp; Cable</td>
<td>LS</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20</td>
<td>Testing/Electrical Wiring Mods</td>
<td>LS</td>
<td>143,319.07</td>
<td>143,319.07</td>
</tr>
<tr>
<td>21</td>
<td>Equipment Disposal</td>
<td>LS</td>
<td>58,385.01</td>
<td>58,385.01</td>
</tr>
<tr>
<td>22</td>
<td>Site Restoration</td>
<td>LS</td>
<td>19,665.24</td>
<td>19,665.24</td>
</tr>
<tr>
<td>23</td>
<td>De-Mobilize</td>
<td>LS</td>
<td>6,559.34</td>
<td>6,559.34</td>
</tr>
<tr>
<td>24</td>
<td>Sales Tax (8.25%)</td>
<td>LS</td>
<td>60,100.00</td>
<td>60,100.00</td>
</tr>
</tbody>
</table>

**TOTAL FIXED PRICE**

\[
\text{Total Fixed Price Written in Words} \quad \$1,605,835.28
\]

**TOTAL AMOUNT, FOB LODI**

\[
\text{TOTAL AMOUNT, FOB LODI} \quad \$1,605,835.28
\]

Additional warranty \(0\) years

Total warranty period \(1\) years

Additional warranty is included in the bid price: \(\text{Yes } \times \text{ No} \)

4.2 Jul. 2018
ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - The City is to furnish the necessary rights-of-way and easements and to establish lines and grades for the work as specified under the Special Provisions. All labor or materials not mentioned specifically as being done by the City will be supplied by the Contractor to accomplish the work as outlined in the specifications.

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract and to diligently prosecute for substantial completion by March 30, 2020 and final completion by April 30, 2020.

ARTICLE IX - State of California Senate Bill 854 requires the following:

- No contractor or subcontractor may be listed on a bid proposal for a public works project (submitted on or after March 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 [with limited exceptions from this requirement for bid purposes only under Labor Code section 1771.1(a)].
- No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.
- This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

ARTICLE X - Time of the Essence

- All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

ARTICLE XI - Dates for Substantial Completion and Final Payment

- The Work will be substantially completed on or before March 30, 2020, and completed and ready for final payment on or before April 30, 2020.

ARTICLE XII - Liquidated Damages

- Contractor and Owner recognize that time is of the essence as stated in Article X above and that Owner will suffer financial loss if the Work is not completed within the times specified in Article XI above, plus any extensions thereof allowed in accordance with the General Provisions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration preceding the actual loss suffered by Owner if the Work is not completed on time. Accordingly,
instead of requiring any such proof, Owner and Contractor agree that as liquidated
damages for delay (but not as a penalty), Contractor shall pay Owner $500 for
each day that expires after the time specified in Article XI above for Substantial
Completion until the Work is substantially complete. After Substantial Completion,
if Contractor shall neglect, refuse, or fail to complete the remaining Work within the
Contract Time or any proper extension thereof granted by Owner, Contractor shall
pay Owner $500 for each day that expires after the time specified in Article XI
above for completion and readiness for final payment until the Work is completed
and ready for final payment.

- Substantial Completion shall be as follows:
  - When Contractor considers the entire Work ready for its intended use and
    Final Testing has been completed, Contractor shall notify Owner and
    Engineer in writing that the entire Work is substantially complete (except for
    items specifically listed by Contractor as incomplete) and request that
    Engineer issue a certificate of Substantial Completion.
  - Promptly after Contractor’s notification, Owner, Contractor, and Engineer
    shall make an inspection of the Work to determine the status of completion.
    If Engineer does not consider the Work substantially complete, Engineer
    will notify Contractor in writing giving the reasons therefor.
  - If Engineer considers the Work substantially complete, Engineer will deliver
    to Owner a tentative certificate of Substantial Completion which shall fix the
date of Substantial Completion. There shall be attached to the certificate a
    tentative list of items to be completed or corrected before final payment.
    Owner shall have seven days after receipt of the tentative certificate during
    which to make written objection to Engineer as to any provisions of the
    certificate or attached list. If, after considering such objections, Engineer
    concludes that the Work is not substantially complete, Engineer will, within
    14 days after submission of the tentative certificate to Owner, notify
    Contractor in writing, stating the reasons therefor. If, after consideration of
    Owner’s objections, Engineer considers the Work substantially complete,
    Engineer will, within said 14 days, execute and deliver to Owner and
    Contractor a definitive certificate of Substantial Completion (with a revised
    tentative list of items to be completed or corrected) reflecting such changes
    from the tentative certificate as Engineer believes justified after
    consideration of any objections from Owner.
  - At the time of delivery of the tentative certificate of Substantial Completion,
    Engineer will deliver to Owner and Contractor a written recommendation as
    to division of responsibilities pending final payment between Owner and
    Contractor with respect to security, operation, safety, and protection of the
    Work, maintenance, heat, utilities, insurance, and warranties and
    guarantees. Unless Owner and Contractor agree otherwise in writing and
    so inform Engineer in writing prior to Engineer’s issuing the definitive
    certificate of Substantial Completion, Engineer’s aforesaid recommendation
    will be binding on Owner and Contractor until final payment.
  - Owner shall have the right to exclude Contractor from the Site after the
date of Substantial Completion subject to allowing Contractor reasonable
    access to remove its property and complete or correct items on the
    tentative list.

- Final Completion shall be as follows:
  - Upon written notice from Contractor that the entire Work or an agreed
    portion thereof is complete, Engineer will promptly make a final inspection
    with Owner and Contractor and will notify Contractor in writing of all
    particulars in which this inspection reveals that the Work is incomplete or
defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

- Final Payment - After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, marked up record documents (as provided in Paragraph 6.12), and other documents, Contractor may make application for final payment following the procedure for progress payments.

- The final Application for Payment shall be accompanied (except as previously delivered) by:
  - all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by Paragraph 5.04.B.6;
  - consent of the surety, if any, to final payment;
  - a list of all Claims against Owner that Contractor believes are unsettled; and
  - complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of or Liens filed in connection with the Work.

- In lieu of the releases or waivers of Liens specified and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (i) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (ii) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner’s property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien.

- Engineer’s Review of Application and Acceptance:
  - If, on the basis of Engineer’s observation of the Work during construction and final inspection, and Engineer’s review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor’s other obligations under the Contract Documents have been fulfilled, Engineer will, within ten days after receipt of the final Application for Payment, indicate in writing Engineer’s recommendation of payment and present the Application for Payment to Owner for payment. At the same time Engineer will also give written notice to Owner and Contractor that the Work is acceptable. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.

- Payment Becomes Due thirty days after the presentation to Owner of the Application for Payment and accompanying documentation, the amount recommended by Engineer, less any sum Owner is entitled to set off
against Engineer’s recommendation, including but not limited to liquidated damages, will become due and will be paid by Owner to Contractor.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS REASONABLE AND THE CONTRACTOR AGREES TO PAY THE CITY LIQUIDATED DAMAGES AS SET FORTH IN SECTION 6-04.03 OF THE SPECIAL PROVISIONS. CONTRACTOR AGREES THAT THIS AMOUNT MAY BE DEDUCTED FROM THE AMOUNT DUE THE CONTRACTOR UNDER THE CONTRACT.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR: CITY OF LODI, a municipal corporation

____________________________________
By: STEPHEN SCHWABAUER
City Manager

By: Stacy Wilson
Vice President
(Title)

Date: ____________________________

Attest:

____________________________________
JENNIFER M. FERRAILO
City Clerk

(CORPORATE SEAL) Approved As To Form:

____________________________________
JANICE D. MAGDICH
City Attorney
NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically.

Insurance Requirements for Construction Contracts

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. Automobile Liability: ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than $2,000,000 per accident for bodily injury and property damage.

3. Workers' Compensation: as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

4. Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the project and no coinsurance penalty provisions.

5. Professional Liability (if Design/Build), with limits no less than $2,000,000 per occurrence or claim.

Other Insurance Provisions:

(a) Additional Named Insured Status
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 28, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used.

(b) Primary and Non-Contributory Insurance Endorsement
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor’s insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

(c) Waiver of Subrogation
Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer.

NOTE: (1) The street address of the CITY OF LODI must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(d) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractor's commercial general liability and automobile liability policies.
Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 800 et seq.).

Failure to Comply
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

Verification of Coverage
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

Self-Insured Retentions
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

Insurance Limits
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

Builder's Risk (Course of Construction) Insurance
Contractor may submit evidence of Builder's Risk insurance in the form of Course of Construction coverage. Such coverage shall name the City as a loss payee as their interest may appear.

If the project does not involve new or major reconstruction, at the option of the City, an Installation Floater may be acceptable. For such projects, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration, conversion or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery or equipment damaged, impaired, broken, or destroyed during the performance of the Work, including during transit, installation, and testing at the City's site.

Subcontractors
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors.

Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.
RESOLUTION NO 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AWARDING THE
CONTRACT FOR THE MCLANE SUBSTATION UPGRADE PROJECT
TO WILSON UTILITY CONSTRUCTION COMPANY, OF CANBY,
OREGON; AUTHORIZING THE CITY MANAGER TO EXECUTE
CHANGE ORDERS; AND FURTHER APPROPRIATING FUNDS
========================================================================
WHEREAS, in answer to notice duly published in accordance with law and the order of
this City Council, sealed bids were received and publicly opened on May 29, 2019, at
11:00 a.m., for the McLane Substation Upgrade Project, described in the plans and
specifications therefore approved by the City Council on April 17, 2019; and

WHEREAS, said bids have been compared, checked, and tabulated and a report thereof
filed with the City Manager as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Bid Amount ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilson Utility Construction Company</td>
<td>1,605,835.28</td>
</tr>
<tr>
<td>NHVS, Inc.</td>
<td>2,129,627.00</td>
</tr>
</tbody>
</table>

WHEREAS, staff recommends awarding the contract for the McLane Substation
Upgrade Project to the low bidder, Wilson Utility Construction Company, of Canby, Oregon, in
the amount of $1,605,836; and

WHEREAS, staff also recommends that the City Council authorize the City Manager to
execute change orders in an amount not to exceed $194,164; and

WHEREAS, staff also recommends the City Council appropriate funds in the amount of
$400,000 from Lodi Electric Utility Fund Balance (Fund 500) to LEU Capital Fund 501 (Project
No. EUCP-18148) for Fiscal Year 2019/20 to be added to the existing $1.4 million budget for
Project No. EUCP-18148 included in the FY 2019/20 CIP, for a total approved project budget of
$1.8 million.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby award
the contract for the McLane Substation Upgrade Project to the low bidder, Wilson Utility
Construction Company, of Canby, Oregon, in the amount of $1,605,836; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the
City Manager to execute the contract on behalf of the City and to execute change orders in an
amount not to exceed $194,164; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize an
additional appropriation for the McLane Substation Upgrade Project, in the amount of $400,000,
as set forth above; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the
City Manager to continue budget authority up to the full project budget for this project from fiscal
year to fiscal year until such point as the project is complete and is accepted by Council. At
such time, all unspent budget authority will return to the fund for re-appropriation by the
City Council.
Dated:  July 17, 2019
========================================================================
I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES:    COUNCIL MEMBERS –
NOES:    COUNCIL MEMBERS –
ABSENT:  COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLI
City Clerk
AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement with Patice Yee Green dba Roadside Concepts of Livermore, CA for Hutchins Street Square Programming, Marketing and Sponsor Solicitation ($40,800)

MEETING DATE: July 17, 2019

PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to execute a professional services agreement with Patice Yee Green dba Roadside Concepts of Livermore, CA for Hutchins Street Square programming, marketing and sponsor solicitation in an amount not to exceed $40,800.

BACKGROUND INFORMATION: Hutchins Street Square is Lodi’s premier performing arts center, with the 794-seat Charlene Powers Lange Theatre the focal point. The theater is managed by Parks, Recreation and Cultural Services, and has been an underperforming asset for many years, mainly due to the dramatic reduction in staffing (from 11 full-time staff to three) over the past 12 years.

Operating a theater – from selecting artists to marketing, creating ticket packages and soliciting sponsors -- requires a skillset not typically found in parks and recreation agencies. Approximately seven years ago, the City explored turning theater management over to a private firm, but found that the cost would be higher than the existing subsidy, so the idea was shelved.

PRCS, however, sees the theater as an asset that provides high-quality entertainment for residents of Lodi and those within a 50-mile radius, and serves an economic stimulus role by increasing business at downtown restaurants, wine-tasting rooms and hotels.

PRCS issued a Request for Proposals to provide programming, marketing and sponsorship services for the theater in 2020; one response was received from Patice Yee Green, dba Roadside Concepts. Ms. Green brings a background that integrates well with the Lange Theatre, having served as the manager of experiential marketing for Wente Vineyards in Livermore, which consisted of promoting live performances at the winery and dinner/show packages.

Ms. Green’s fee is $40 an hour for a minimum of 20 hours per week to develop a four- to six-show season. Duties would include identifying and attracting national artists to perform at the Square, partner with various nonprofits, local businesses and other community groups for enhanced ticket packages, develop pre- and post-event coverage and develop content for social media campaigns. In addition, she will work with staff on enhancing the customer experience.

PRCS’ goal is to offset most of that expense through sponsorships and increased ticket sales, with a broader community benefit.

APPROVED: _________________________________

Stephen Schwabauer, City Manager
Staff asks that the Council approve the resolution authorizing the City Manager to execute the agreement with Patice Yee Green dba Roadside Concepts.

**FISCAL IMPACT:** Potential for net revenue or net loss to PRCS, depending on success of the Contractor. Benefit to local businesses will occur from increased activity at Hutchins Street Square, resulting in some higher General Fund revenue with increased tourism.

**FUNDING AVAILABLE:** Included in FY 2019/20 budget (20071300.72450), although additional appropriation may be needed to cover performing artists’ contracts.

_______________________________
Andrew Keys
Deputy City Manager/Internal Services Director

_______________________________
Jeff Hood
Parks, Recreation, and Cultural Services Director

JH:tl

cc: City Attorney
AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on ____________, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter “CITY”), and PATICE YEE GREEN dba ROADSIDE CONCEPTS (hereinafter “CONTRACTOR”).

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for programming, marketing and securing sponsorships for performing arts at Hutchins Street Square or other Parks, Recreation & Cultural Services facilities (hereinafter “Project”) as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR’s contract performance period. Also, any delays due to
weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR’s capabilities and on the qualifications of CONTRACTOR’s principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY’s sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR’s project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on JULY 18, 2019 and terminates upon the completion of the Scope of Services or on OCTOBER 31, 2020, whichever occurs first.

Section 2.7 Option to Extend Term of Agreement
At its option, City may extend the terms of this Agreement for an additional two (2) one (1)-year extensions; provided, City gives Contractor no less than thirty (30) days written notice of its intent prior to expiration of the existing term. In the event City exercises any option under this paragraph, all other terms and conditions of this Agreement continue and remain in full force and effect.

The total duration of this Agreement, including the exercise of any option under this paragraph, shall not exceed three (3) years.

ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information
requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination
In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance
In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage
CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney’s fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations
required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4  **No Personal Liability**

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5  **Responsibility of CITY**

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6  **Insurance Requirements for CONTRACTOR**

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7  **Successors and Assigns**

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8  **Notices**

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:  
City of Lodi  
221 West Pine Street  
P.O. Box 3006  
Lodi, CA  95241-1910  
Attn:  Jeff Hood

To CONTRACTOR:  
Patrice Yee Green  
dba Roadside Concepts  
374 Burgess Street  
Livermore, CA  94550

Section 4.9  **Cooperation of CITY**
CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as “Confidential” or “Proprietary”, except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the
event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.
CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY’s use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

☐ If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

__________________________
JENNIFER M. FERRAILO
City Clerk

__________________________
STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

PATICE YEE GREEN
dba ROADSIDE CONCEPTS

By: _______________________
Name: PATICE YEE GREEN
Title: Owner

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 20071300.72450
(Business Unit & Account No.)

Doc ID:

CA:Rev.01.2015
Exhibit A

Scope of Services for Patice Yee Green, dba Roadside Concepts

1. Contract term will be through the proposed 2020 season, with an opportunity for two, one-year renewal options.

2. Develop a four- to six-show season during calendar year 2020.

3. Negotiate performing artists’ fees in consultation with the PRCS Director or his/her designee.

4. Develop a comprehensive marketing and sponsorship plan for the year, as well as mini-campaigns for each show; track, monitor and report deliverables

5. Work with HSS staff to prepare for and launch ticket sales

6. Work with HSS theater technicians to determine if artists’ sounds/lighting requirements are feasible from a technical and budgetary standpoint

7. Receive direction from PRCS Director or his/her designee regarding all performing artists’ show-related expenses, such as lodging, backline, hospitality.

8. Create promotional packages for presentation to producers, agents, managers, and artists.

9. Prepare a pro forma financial statement in advance of PRCS contract with artist/booking agent.

10. Develop and maintain positive community relationships.

11. Work with nonprofit entities affiliated with said venues, i.e. Hutchins Street Square Foundation, Lodi Arts Foundation, etc.

12. Work with Director and HSS Staff to develop and implement a minimum of three (3) customer service trainings for Guest Services, House Manager, Ushers, Technicians and Event Attendants.

13. Work with Director and HSS Staff to develop and administer a Customer Satisfaction Survey in the Fall of 2019, as well as at the conclusion of the concert series in late 2020.

14. Participate in bi-weekly planning and status update meetings either in-person or via conference call with Director or his/her designee

15. Produce an Event Report after each concert/performance, as well as an Annual Report at the conclusion of the year (outline TBD).
Exhibit B

Fee schedule

Lodi Parks, Recreation & Cultural Services shall pay Patice Yee Green, dba Roadside Concepts, $40 per hour, for a minimum of 20 hours per week, subject to holidays, illness, incapacitation or other absences coordinated with the PRCS Director or his/her designee.

This amount is not to exceed $40,800 in Fiscal Year 2019/20 (July 1, 2019 to July 30, 2020).
NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City’s online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically.

Insurance Requirements for Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than $500,000 per accident for bodily injury and property damage.

3. **Workers’ Compensation:** as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

4. **Professional Liability (Errors and Omissions):** Insurance appropriate to the Consultant’s profession, with limits not less than $1,000,000 per occurrence or claim, $2,000,000 aggregate. May be waived by Risk Manager depending on the scope of services.

**Other Insurance Provisions:**

(a) **Additional Named Insured Status:**
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 36; and CG 20 37 if a later edition is used)

(b) **Primary and Non-Contribution Insurance Endorsement:**
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor’s insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

(c) **Waiver of Subrogation:** Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer.

NOTE: (1) The street address of the CITY OF LODI must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(d) **Severability of Interest Clause:**
The term “insured” is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company’s liability under the Contractors commercial general liability and automobile liability policies.

(e) **Notice of Cancellation or Change in Coverage Endorsement:**
This policy may not be canceled without 30 days’ prior written notice of such cancellation to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.
(f) **Continuity of Coverage**
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

(g) **Failure to Comply** Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) **Verification of Coverage**
Consultant shall furnish the City with a copy of the insurance certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them.

(i) **Self-Insured Retentions**
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

(j) **Insurance Limits**
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

(k) **Subcontractors**
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors.

(l) **Claims Made Policies**
If any of the required policies provide coverage on a claims-made basis:
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for **at least** five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

(m) **Qualified Insurer(s)**
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LES LI list) and otherwise meet City requirements.
A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH PATICE YEE GREEN, DBA ROADSIDE CONCEPTS, OF LIVERMORE, FOR HUTCHINS STREET SQUARE PROGRAMMING, MARKETING AND SPONSOR SOLICITATION

WHEREAS, Hutchins Street Square is Lodi’s premier performing arts center, with the 794-seat Charlene Powers Lange Theatre the focal point; and

WHEREAS, the theater is managed by Parks, Recreation and Cultural Services (PRCS), and has been an underperforming asset for many years; and

WHEREAS, approximately seven years ago the City explored turning theater management over to a private firm, but found that the cost would be higher than the existing subsidy so the idea was shelved; and

WHEREAS, PRCS issued a Request for Proposal to provide programming, marketing and sponsorship services for the theater in 2020. One response was received from Patice Yee Green, dba Roadside Concepts.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with Patice Yee Green, dba Roadside Concepts, of Livermore, California, for Hutchins Street Square programming, marketing and sponsor solicitation, in an amount not to exceed $40,800, with the term of the agreement through October 31, 2020, and including two optional one-year extensions.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIIOLO
City Clerk

2019-____
AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Amendment No. 4 to Contract with Cintas Corporation No. 3, of Stockton, for Rental and Cleaning of Uniforms for Certain Field and Warehouse Employees ($80,000)

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute Amendment No. 4 to Contract with Cintas Corporation No. 3, of Stockton, for rental and cleaning of uniforms for certain field and warehouse employees, in the amount of $80,000.

BACKGROUND INFORMATION: At the March 16, 2016 meeting, Council adopted a resolution awarding the contract for rental and cleaning of uniforms for certain employees to Cintas, of Stockton, in the amount of $71,995. The original contract was for a two-year initial term, that was set to expire June 30, 2018, and included the option to extend for three additional one-year terms.

At the September 20, 2017 meeting, Council authorized Amendment No. 1 that added $75,000 to the contract to cover increased rental costs associated with the City converting to Class III, high-visibility shirts to comply with Occupational Safety and Health Administration safety standards for working in higher speed roadways. The Class III shirts were included as an optional bid item in the original bid and are approximately twice the cost per unit of the original orange shirts since they are made using a highly reflective material which must be replaced more frequently as they are laundered.

The current contract includes uniforms for Facilities Services, Fleet Services, Streets, Water/Wastewater, Community Center and Parks division employees, as provided in the memorandums of understanding. Seat covers, rags, towels, and floor mats used in the Fleet Services and Parks Equipment Maintenance shops are also included in the contract.

At its June 6, 2018 meeting, Council authorized Amendment No. 2 that added the necessary funding to exercise the first authorized contract extension through June 30, 2019. After this approval was executed, Cintas requested an increase in its per unit pricing by four percent due to increased compliance costs and increases in minimum wages. Amendment No. 3, approved by Council on September 19, 2018, allowed for annual increases in the contract prices based on the Consumer Price Index (CPI), not to exceed five percent. The CPI increase for the term of this extension is 4.5 percent. If approved, Amendment No. 4 will implement the CPI increase and add $80,000 to the existing contract amount of $221,995, for a total contract amount of $301,995, through June 30, 2020.

Staff recommends authorizing City Manager to execute Amendment No. 4 to Contract with Cintas Corporation No. 3, of Stockton, for rental and cleaning of uniforms for certain field and warehouse employees, in the amount of $80,000.

APPROVED: _________________________________________
Stephen Schwabauer, City Manager
FISCAL IMPACT: This contract is an annual budgeted expense.

FUNDING AVAILABLE: Funding is available in the appropriate operating budgets (10051000, 65055000, 30156001, 53053001, 53053003, 56052001, 56052005, 20071402, 20072001, 20072202, 20072203, 20072300).

Andrew Keys
Deputy City Manager/Internal Services Director

Charles E. Swimley, Jr.
Public Works Director
AMENDMENT NO. 4

CINTAS CORPORATION NO. 3
UNIFORM RENTAL SERVICES CONTRACT

THIS AMENDMENT NO. 4, made and entered this ___ day of July, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and CINTAS CORPORATION NO. 3, a Nevada corporation, qualified to do business in California (hereinafter called "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into the Uniform Rental Services Contract on May 12, 2016, Amendment No. 1 on October 4, 2017, Amendment No. 2 on July 30, 2017, and Amendment No. 3 on October 9, 2018 (collectively, the "Agreement") attached hereto as Exhibit 1, 1A, 1B, and 1C respectively, and made a part hereof; and

2. WHEREAS, CONTRACTOR prices may be increased annually in a percentage amount equal to the annual change in the Consumer Price Index for all Urban Consumers for San Francisco-Oakland-San Jose, California, All Items (1982-1984=100) for the twelve month period ending December 31 of the preceding calendar year, not to exceed 5%; and

3. WHEREAS, CONTRACTOR requests the fee increase set forth above be effective as of the date and year first above written; and

4. WHEREAS, CITY requested to extend the term of the Agreement through June 30, 2020; and

5. WHEREAS, CITY requested to increase the fees by $80,000, for a total contract amount of $301,995, for additional employee uniforms and uniform changes; and

6. WHEREAS, CITY and CONTRACTOR agree to said amendment; and

NOW, THEREFORE, the parties agree to amend the Agreement as set forth above. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 4 on the date and year first above written.

CITY OF LODI, a municipal corporation
Herein above called "CITY"

By:

STEPHEN SCHWABAUER
City Manager

CINTAS CORPORATION NO. 3,
a Nevada corporation,
Hereinabove called "CONTRACTOR"

By:

RANDY GLAVIN
General Manager

Attest:

JENNIFER M. FERRAILO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney
UNIFORM RENTAL SERVICES
2016-2018

CITY OF LODI, CALIFORNIA

THIS CONTRACT made by and between the CITY OF LODI, State of California, herein referred to as the "City," and "CINTAS CORPORATION NO. 3", herein referred to as the "Contractor."

WITNESSETH:

That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other, as follows:

The complete Contract consists of the following documents, on file in the Public Works Department, which are incorporated herein by this reference, to-wit:

Notice Inviting Bids
Information to Bidders
General Provisions
Special Provisions
Bid Proposal
Contract

All of the above documents, sometimes hereinafter referred to as the "Contract Documents," are intended to cooperate so that any work called for in one and not mentioned in the other is to be executed the same as if mentioned in all said documents.

ARTICLE I - That for and in consideration of the payments and agreements hereinafter mentioned, to be made and performed by the City and under the condition expressed in the two bonds bearing even date with these presents and hereunto annexed, the Contractor agrees with the City, at Contractor's cost and expense, to do all the work and furnish all the materials except such as are mentioned in the specifications to be furnished by the City, necessary to construct and complete in a good workmanlike and substantial manner and to the satisfaction of the City the proposed improvements as shown and described in the Contract Documents which are hereby made a part of the Contract.

ARTICLE II - The City hereby promises and agrees with the Contractor to employ, and does hereby employ, the Contractor to provide all materials and services not supplied by the City and to do the work according to the terms and conditions for the price herein, and hereby contracts to pay the same as set forth in Section 5.600, "Measurement, Acceptance and Payment," of the General Provisions, in the manner and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, administrators, successors and assigns, do hereby agree to the full performance of the covenants herein contained.

ARTICLE III - Deleted

ARTICLE IV - And the Contractor agrees to receive and accept the following prices as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this agreement; also for all loss or damage arising out of the nature of the work aforesaid or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the City, and for all risks of every description connected with the work; also for all expenses incurred by or in consequence of the suspension or discontinuance of work and for well and faithfully completing the work, and the whole thereof, in the manner and according to the Plans and Contract Documents and the requirements of the Engineer under them, to-wit:
# BID PROPOSAL ITEMS

**BID ITEM 1. SHIRTS**

<table>
<thead>
<tr>
<th>BID ITEM TYPE, DESCRIPTION</th>
<th>Column A UNIT COST PER WEEK (1 unit= 5 items/week)</th>
<th>Column B EMPLOYEE COUNT</th>
<th>BID ITEM COST PER WEEK (Column A x Column B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>65/35 POLO PIQUE SHORT SLEEVE</td>
<td>$2.981</td>
<td>14</td>
<td>$41.73</td>
</tr>
<tr>
<td>65/35 POLYESTER/COTTON SHORT SLEEVE BUTTON UP SHIRTS WITH POCKET (15) (MICROPATTERN)</td>
<td>$2.013</td>
<td>5</td>
<td>$10.07</td>
</tr>
<tr>
<td>LONG SLEEVE 65/35 POLYESTER/COTTON BLEND SHIRT, WITH POCKET (KHAKI, BLUE, ETC)</td>
<td>$2.013</td>
<td>8</td>
<td>$16.10</td>
</tr>
<tr>
<td>SHORT SLEEVE 65/35 POLYESTER/COTTON BLEND SHIRT, WITH POCKET (KHAKI, BLUE, ETC)</td>
<td>$2.013</td>
<td>25</td>
<td>$50.33</td>
</tr>
<tr>
<td>LONG SLEEVE 65/35 POLYESTER/COTTON BLEND SHIRT, ORANGE IN COLOR, WITH POCKET</td>
<td>$2.013</td>
<td>16</td>
<td>$32.21</td>
</tr>
<tr>
<td>SHORT SLEEVE 65/35 POLYESTER/COTTON BLEND SHIRT, ORANGE IN COLOR, WITH POCKET</td>
<td>$2.013</td>
<td>15</td>
<td>$30.20</td>
</tr>
<tr>
<td>LONG SLEEVE 65/35 POLYESTER/COTTON BLEND BUTTON UP DRESS SHIRT</td>
<td>$2.805</td>
<td>8</td>
<td>$22.44</td>
</tr>
<tr>
<td>MAKE UP CHARGES FOR SEASONAL CHANGES (IF ANY) PER ITEM</td>
<td>$1.529</td>
<td>1</td>
<td>$N/A</td>
</tr>
</tbody>
</table>

**TOTAL BID ITEM 1. PER WEEK**

$203.08
### BID ITEM 2. PANTS

<table>
<thead>
<tr>
<th>BID ITEM TYPE, DESCRIPTION</th>
<th>Column A UNIT COST PER WEEK (1 unit= 5 Items/week)</th>
<th>Column B EMPLOYEE COUNT</th>
<th>BID ITEM COST PER WEEK (Column A x Column B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.5 OZ. PRE-SHRUNK COTTON DENIM JEANS</td>
<td>$3.256</td>
<td>56</td>
<td>$182.34</td>
</tr>
<tr>
<td>PANTS 65/35 POLY/COTTON</td>
<td>$2.299</td>
<td>9</td>
<td>$20.69</td>
</tr>
<tr>
<td>PANTS 65/35 POLY/COTTON CARGO</td>
<td>$3.586</td>
<td>21</td>
<td>$75.31</td>
</tr>
<tr>
<td>SHORTS POLY/COTTON CARGO</td>
<td>$3.586</td>
<td>14</td>
<td>$50.20</td>
</tr>
<tr>
<td><strong>TOTAL BID ITEM 2. PER WEEK</strong></td>
<td></td>
<td></td>
<td><strong>$328.54</strong></td>
</tr>
</tbody>
</table>

### BID ITEM 3. JACKETS & COVERALLS

<table>
<thead>
<tr>
<th>BID ITEM TYPE AND DESCRIPTION</th>
<th>BIDDERS DESCRIPTION &amp; ITEM NUMBER</th>
<th>Column A UNIT COST PER WEEK (1 unit= 5 Items/week)</th>
<th>Column B EMPLOYEE COUNT</th>
<th>BID ITEM COST PER WEEK (Column A x Column B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>WAIST LENGTH JACKET 65/35 POLY/COTTON TWILL, QUILTED LINING.</td>
<td>JACKET ITEM 677</td>
<td>$.872</td>
<td>8</td>
<td>$6.98</td>
</tr>
<tr>
<td>TWO (2) JACKETS PER EMPLOYEE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL BID ITEM 3. PER WEEK</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$6.98</strong></td>
</tr>
</tbody>
</table>
## BID ITEM 4. FLOOR MATS, RAGS, & MISCELLANEOUS

<table>
<thead>
<tr>
<th>ITEM TYPE, DESCRIPTION</th>
<th>BIDDERS DESCRIPTION</th>
<th>UNIT COST PER WEEK (1 unit= 5 items/week)</th>
<th>UNIT COUNT</th>
<th>TOTAL COST COUNT TIMES UNIT COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>RAGS, 18X18 WIPERS (BAG OF 25)</td>
<td>COTTON SHOP TOWEL ITEM 5160</td>
<td>$1.525</td>
<td>8</td>
<td>$12.20</td>
</tr>
<tr>
<td>BAR TOWELS (BAG OF 25)</td>
<td>TERRY TOWEL ITEM 2700</td>
<td>$3.20</td>
<td>4</td>
<td>$12.80</td>
</tr>
<tr>
<td>3X5 FLOOR MATS, WEEKLY CHANGE CONSISTS OF COLLECTION OF FLOOR MATS AND DELIVERY</td>
<td>3X5 MAT</td>
<td>$2.038</td>
<td>18</td>
<td>$36.68</td>
</tr>
<tr>
<td>4X6 FLOOR MATS, WEEKLY CHANGE CONSISTS OF COLLECTION OF FLOOR MATS AND DELIVERY</td>
<td>4X6 MAT</td>
<td>$2.517</td>
<td>12</td>
<td>$30.20</td>
</tr>
<tr>
<td>3X10 FLOOR MATS, WEEKLY CHANGE CONSISTS OF COLLECTION OF FLOOR MATS AND DELIVERY</td>
<td>3X10 MAT</td>
<td>$2.996</td>
<td>6</td>
<td>$17.98</td>
</tr>
<tr>
<td>2X3 FLOOR MAT, WEEKLY CHANGE CONSISTS OF COLLECTION OF FLOOR MATS AND DELIVERY</td>
<td>2X3 MAT</td>
<td>$1.75</td>
<td>1</td>
<td>$1.75</td>
</tr>
<tr>
<td>DRY MOP 36&quot;</td>
<td>36&quot; MOP</td>
<td>$.968</td>
<td>1</td>
<td>$.97</td>
</tr>
</tbody>
</table>

TOTAL BID ITEM 4. PER WEEK $112.58
BID ITEM 5. PATCHES & EMBROIDERING

<table>
<thead>
<tr>
<th>ITEM TYPE, DESCRIPTION</th>
<th>BIDDERS DESCRIPTION</th>
<th>UNIT COST PER WEEK (1 unit= 5 Items/week)</th>
<th>UNIT COUNT</th>
<th>TOTAL COST COUNT TIMES UNIT COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>SUPPLY AND ATTACH PUBLIC WORKS AND/OR PARKS DEPARTMENT SHOULD PATCH</td>
<td></td>
<td>$3.50</td>
<td>704</td>
<td>$2,464.00</td>
</tr>
<tr>
<td>SUPPLY AND ATTACH NAME PATCH</td>
<td></td>
<td>$1.529</td>
<td>704</td>
<td>$1,076.42</td>
</tr>
<tr>
<td>COST TO EMBROIDER &quot;CITY OF LODI&quot; AND EMPLOYEE NAME ON POLO SHIRTS</td>
<td></td>
<td>$3.50</td>
<td>209</td>
<td>$731.50</td>
</tr>
</tbody>
</table>

TOTAL BID ITEM 5.
*One Time Service Only;
Not a weekly item.

$4,271.92
## BID PROPOSAL TOTALS
### ITEMS 1, 2, 3, 4 and 5.

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Cost Per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL BID ITEM 1. PER WEEK</td>
<td>$203.08</td>
</tr>
<tr>
<td>TOTAL BID ITEM 2. PER WEEK</td>
<td>$328.54</td>
</tr>
<tr>
<td>TOTAL BID ITEM 3. PER WEEK</td>
<td>$6.98</td>
</tr>
<tr>
<td>TOTAL BID ITEM 4. PER WEEK</td>
<td>$112.58</td>
</tr>
<tr>
<td>SUBTOTAL ITEMS 1, 2, 3, &amp; 4</td>
<td>$651.18</td>
</tr>
<tr>
<td>SUBTOTAL WEEKLY COST</td>
<td>$651.18</td>
</tr>
<tr>
<td>TOTAL BIENNIAL COST (WEEKLY COST X 104)</td>
<td>$67,722.72</td>
</tr>
<tr>
<td>SALES TAX (IF APPLICABLE)</td>
<td>N/A</td>
</tr>
<tr>
<td>TOTAL BID ITEM 5. (ONE TIME ONLY)</td>
<td>$4,271.92</td>
</tr>
<tr>
<td>GRAND TOTAL (TOTAL BIENNIAL COST PLUS TOTAL BID ITEM 5.)</td>
<td>$71,994.64</td>
</tr>
</tbody>
</table>

### OPTIONAL BID ITEM (Not Counted in Bid Total)

<table>
<thead>
<tr>
<th>Description</th>
<th>BIDDER'S DESCRIPTION</th>
<th>Unit Cost Per Week</th>
<th>Unit Count</th>
<th>Total Cost Per Week</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANSI CLASS 2 HIGH VISIBILITY SHORT SLEEVE WORK SHIRT</td>
<td>ITEM 65386</td>
<td>$.85</td>
<td>15</td>
<td>$12.75</td>
</tr>
<tr>
<td>ANSI CLASS 2 HIGH VISIBILITY LONG SLEEVE WORK SHIRT</td>
<td>ITEM 65386</td>
<td>$.85</td>
<td>16</td>
<td>$13.60</td>
</tr>
<tr>
<td>ANSI CLASS 3 HIGH VISIBILITY SHORT SLEEVE WORK SHIRT</td>
<td>ITEM 65418</td>
<td>$.90</td>
<td>15</td>
<td>$13.50</td>
</tr>
<tr>
<td>ANSI CLASS 3 HIGH VISIBILITY LONG SLEEVE WORK SHIRT</td>
<td>ITEM 65418</td>
<td>$.90</td>
<td>16</td>
<td>$14.40</td>
</tr>
</tbody>
</table>
ARTICLE V - By my signature hereunder, as Contractor, I certify that I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

ARTICLE VI - It is further expressly agreed by and between the parties hereto that, should there be any conflict between the terms of this instrument and the Bid Proposal of the Contractor, then this instrument shall control and nothing herein shall be considered as an acceptance of the said terms of said proposal conflicting herewith.

ARTICLE VII - Deleted

ARTICLE VIII - The Contractor agrees to commence work pursuant to this contract within 15 calendar days after the City Manager has executed the contract.

WHEN SIGNING THIS CONTRACT, THE CONTRACTOR AGREES THAT THE TIME OF COMPLETION FOR THIS CONTRACT IS JULY 1, 2016 THROUGH JUNE 30, 2018.

BY MUTUAL AGREEMENT, THE CITY AND THE CONTRACTOR MAY ENTER INTO THREE (3) ONE YEAR EXTENSIONS.

IN WITNESS WHEREOF, the parties to these presents have hereunto set their hands the year and date written below.

CONTRACTOR:

By: __________________________

[Signature]

By: __________________________

[Signature]

Title

CITY OF LODI

By: __________________________

[Signature]

Stephen Schwabauer
City Manager

Date: _________________________

[Date]

Attest.

By: __________________________

[Signature]

Jennifer M. Rerraiolo
City Clerk

(CORPORATE SEAL)

Approved as to form:

By: __________________________

[Signature]

Janice D. Magdich
City Attorney
AMENDMENT NO. 1

CINTAS CORPORATION NO. 3
UNIFORM RENTAL SERVICES CONTRACT

THIS AMENDMENT NO. 1, is made and entered this 16th day of September, 2017, by and between the CITY OF LODI, a municipal corporation (hereinafter “CITY”), and CINTAS CORPORATION NO. 3, a Nevada Corporation (hereinafter “CONTRACTOR”).

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into the Uniform Rental Services Contract (the “Agreement”) on May 12, 2016, as set forth in Exhibit 1, attached hereto and made part hereof; and

2. WHEREAS, CITY requested to increase the fees by $75,000, for a total contract amount of $146,995, for additional employee uniforms and uniform changes, within the existing fee schedule; and

3. WHEREAS, CONTRACTOR agrees to said amendment.

NOW, THEREFORE, the parties agree to amend the fees of the Agreement as set forth above. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 1 on the date and year first above written.

CITY OF LODI, a municipal corporation
Herein above called “CITY”

[Signature]
STEPHEN SCHWABAUER
City Manager

CINTAS CORPORATION NO. 3,
a Nevada Corporation
Herein above called “CONTRACTOR”

[Signature]
RANDY GALVIN
General Manager

Attest:

[Signature]
JENNIFER M. FERRAILO
City Clerk

Approved as to Form:

[Signature]
JANICE D. MAGDICH
City Attorney
AMENDMENT NO. 2
CINTAS CORPORATION NO. 3
UNIFORM RENTAL SERVICES CONTRACT

July

THIS AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT, is made and entered this 30th day of June 2018, by and between the CITY OF LODI, a municipal corporation (hereinafter called “CITY”), and CINTAS CORPORATION NO. 3, a Nevada Corporation (hereinafter called “CONTRACTOR”).

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into the Uniform Rental Services Contract on May 12, 2016 and Amendment No. 1 on October 4, 2017 (collectively the “Agreement”), as set forth in Exhibit 1 and 1A, attached hereto and made part hereof; and

2. WHEREAS, CITY requested to extend the term of the Agreement through June 30, 2019; and

3. WHEREAS, CITY seeks to increase the fees by $75,000, for a total contract amount of $221,995; and

4. WHEREAS, CONTRACTOR agrees to said amendments.

NOW, THEREFORE, the parties agree to amend the Agreement as set forth herein; all other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 2 on the date and year first above written.

CITY OF LODI, a municipal corporation
Herein above called “CITY”

STEPHEN SCHWABAUER
City Manager

CINTAS CORPORATION NO. 3,
a Nevada Corporation,
Hereinabove called “CONTRACTOR”

Randy Giavini
General Manager

Attest:

JENNIFER M. FERRAILO
City Clerk

Approved as to Form

JANICE D. MAGDIC
City Attorney
AMENDMENT NO. 3
CINTAS CORPORATION NO. 3
UNIFORM RENTAL SERVICES CONTRACT

THIS AMENDMENT NO. 3, made and entered this 24th day of October, 2018, by and between the CITY OF LODI, a municipal corporation (hereinafter “CITY”), and CINTAS CORPORATION NO. 3, a Nevada corporation, qualified to do business in California (hereinafter called “CONTRACTOR”).

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into the Uniform Rental Services Contract on May 12, 2016, Amendment No. 1 on October 4, 2017 and Amendment No. 2 on July 30, 2017 (collectively, the “Agreement”) attached hereto as Exhibit 1, 1A and 1B respectively, and made a part hereof; and

2. WHEREAS, CONTRACTOR has requested prices under the Agreement be increased annually in a percentage amount equal to the annual change in the Consumer Price Index for all Urban Consumers for San Francisco-Oakland-San Jose, California. All Items (1982-1984=100) for the twelve month period ending December 31 of the preceding calendar year, not to exceed 5%; and

3. WHEREAS, CONTRACTOR requests the fee increase set forth above be effective as of the date and year first above written; and

4. WHEREAS, CITY agrees to said amendments.

NOW, THEREFORE, the parties agree to amend the not to exceed amount under the Agreement as set forth above. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 3 on the date and year first above written.

CITY OF LODI, a municipal corporation

Herein above called “CITY”

By:

STEFAN SCHWABAUER
City Manager

CINTAS CORPORATION NO. 3, a Nevada corporation,

Hereinabove called “CONTRACTOR”

By:

RANDY GLAVIN
General Manager

Attest:

JENNIFER M. FERRAIOLI
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 4 TO THE CONTRACT WITH CINTAS CORPORATION NO. 3, OF STOCKTON, FOR RENTAL AND CLEANING OF UNIFORMS FOR CERTAIN FIELD AND WAREHOUSE EMPLOYEES

WHEREAS, at the March 16, 2016 meeting, Council adopted a resolution awarding the contract for rental and cleaning of uniforms for certain employees to Cintas Corporation No. 3, of Stockton, in the amount of $71,995; and

WHEREAS, at the September 20, 2017 meeting, Council authorized Amendment No. 1 that added $75,000 to the contract to cover increased rental costs associated with the City converting to Class III, high-visibility shirts to comply with Occupational Safety and Health Administration safety standards for working in higher speed roadways; and

WHEREAS, at the June 6, 2018 meeting, Council authorized Amendment No. 2 that extended the contract term by one year, through June 30, 2019 and added $75,000 to the contract; and

WHEREAS, at the September 19, 2018 meeting, Council authorized Amendment No. 3 that allowed for an increase in the contract prices based on the Consumer Price Index for all urban consumers for San Francisco-Oakland-San Jose, California for the 12-month period ending December 31 of the preceding calendar year, not to exceed five percent; and

WHEREAS, the current contract includes uniforms for Facilities Services, Fleet Services, Streets, Water/Wastewater, Community Center, and Parks division employees, as provided in the memorandums of understanding. Seat covers, rags, towels, and floor mats used in the Fleet Services and Parks Equipment Maintenance shops are also included in the contract; and

WHEREAS, Amendment No. 4 will extend the term of the Agreement through June 30, 2020, and increase the fees by $80,000, for a total contract amount of $301,995; and

WHEREAS, staff recommends authorizing the City Manager to execute Amendment No. 4 to the contract with Cintas Corporation No. 3, of Stockton, for rental and cleaning of uniforms for certain field and warehouse employees.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute Contract Amendment No. 4 with Cintas Corporation No. 3, of Stockton, California, for rental and cleaning of uniforms for certain field and warehouse employees, extending the contract term to June 30, 2020, in the amount of $80,000, for a total contract amount of $301,995.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-____
AGENDA TITLE: Accept Improvements Under Contract for Police Station Sanitary Sewer Lift Station Improvements

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Accept improvements under contract for Police Station Sanitary Sewer Lift Station Improvements.

BACKGROUND INFORMATION: This project consists of replacing the existing, submersible wastewater pumps, underground conduits, level controls, and control panel with the new Flygt Concertor Pumping System. The project also includes removing the electrical junction boxes within the wet well, providing direct connections from the new control panel to the new submersible pumps, bypass pumping, and other incidental work, all as shown on the plans and specifications for the above project.

The plans and specifications for this project were approved on June 20, 2018. The contract was awarded on September 19, 2018, without the alternate bid item, to Division 5-15, a California Corporation, of Gold River, in the amount of $89,515.

The original contract completion date was March 6, 2019. Due to an extended lead time for new pumps and pump equipment and one City-requested change order, the contract was completed on June 6, 2019.

The final contract amount is $92,130. The difference between the original contract amount and final contract was due to Change Order No. 1. Change Order No. 1 provided for construction of a new junction box and wiring for a direct feed to the existing light circuit ($2,615).

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder’s office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

FISCAL IMPACT: The project will reduce maintenance costs and enhance the reliability of the Police Station facility wastewater pumping system.

FUNDING AVAILABLE: The project was funded by General Fund Capital (43199000.77020).

Charles E. Swimley, Jr.
Public Works Director

Prepared by Jimi Billigmeier, Associate Civil Engineer
CES/JB/tdb

cc: Police Chief
Division 5-15
Rebecca Areida-Yadav

APPROVED: Stephen Schwabauer, City Manager
AGENDA ITEM C-12

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Professional Services Agreement for Vending and Supply-Chain Automation Services with Elite Supply Source, Inc. of Sacramento ($120,000) and Third Party Waiver with UniFi Equipment Finance, Inc. of Ann Arbor, MI.

MEETING DATE: July 17, 2019

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: Adopt a resolution authorizing the City Manager to execute a professional services agreement for vending and supply-chain automation services with Elite Supply Source, Inc. of Sacramento in an amount not-to-exceed $120,000, and a third party waiver with UniFi Equipment Finance, Inc. of Ann Arbor, MI.

BACKGROUND INFORMATION: Lodi Electric Utility (LEU) currently purchases various consumables and other miscellaneous safety supplies from multiple suppliers. LEU seeks to streamline its operations by procuring turn-key vending and supply-chain automation services. These services would include installation of customized vendor-owned machine(s), examples of which are provided in Exhibit A, capable of supplying utility-selected materials and items on demand to authorized users. Examples of those items include: specialized lineman gloves, anti-corrosion penetrant, safety glasses, and other personal protective equipment and supplies. Machine transactions would be payment-free to the users, being instead batched by the vendor for periodic invoicing to LEU. These services would include:

- Remote monitoring of inventory and consumption
- Procurement of replenishments
- Packaging of items as needed to make them conducive for usage in machine(s)
- Restocking of machine(s) in a timely manner to avoid out-of-stock situations
- Managing user access to machines
- Generating consumption reports
- Maintenance of machine(s) including monitoring and troubleshooting errors
- General support and invoicing

In addition to streamlining operations, staff foresees realizing a number of efficiencies such as better item availability, reduced employee wait times such as when warehouse staff are unavailable due to the arrival of large shipments, around-the-clock availability should an employee need safety items during an after-hours outage or event, and improved access/inventory control. This vendor also offers the ability to create and stock dispensable packages containing multiple components commonly used together, providing the utility with possible future optimizations and benefits.

APPROVED: ____________________________
Stephen Schwabauer, City Manager
LEU requested and received proposals from multiple vendors for these services. In reviewing the proposals, staff found that one vendor required a five-year contract; one was unable to supply the items requested by LEU, and another who was non-responsive. Of the proposals received, as summarized below, staff recommends Elite Supply Source, Inc. to provide the requested materials and services.

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Total Per Month (Fees + Estimated Qty.)</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anixter, Inc.</td>
<td>$ 2,753</td>
<td>Requires 5-year contract</td>
</tr>
<tr>
<td>Elite Supply Source, Inc.</td>
<td>$ 2,731</td>
<td>Proposed purchase</td>
</tr>
<tr>
<td>Fastenal Company</td>
<td>N/A</td>
<td>Unable to supply requested items</td>
</tr>
<tr>
<td>W.W. Grainger, Inc.</td>
<td>N/A</td>
<td>Non-responsive</td>
</tr>
</tbody>
</table>

**FISCAL IMPACT:** As this service simply provides a different method for procuring certain types of items which LEU is already purchasing, LEU anticipates no net increase in spending. Funding for these items currently comes from various LEU operating accounts depending on the specific item and will continue to be budgeted and allocated accordingly.

Not-to-exceed cost of $120,000 over three years. This figure represents LEU’s estimated three-year consumption, plus an allowance for possible additions to the stocked items.

**FUNDING AVAILABLE:** Account Nos. 50064100.72306 and 50064100.72359.

Andrew Keys  
Deputy City Manager/Internal Services Director

Melissa Price  
Interim Electric Utility Director

PREPARED BY: Tim Conn, Electrical Engineer
MP1_TC1nb
Exhibit A

Examples of Vending / Supply Chain Machines
AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on , 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter “CITY”), and ELITE SUPPLY SOURCE, INC., a California corporation (hereinafter “CONTRACTOR”).

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for Vending and Supply-Chain Automation Services for the City of Lodi, Electric Utility Department (hereinafter “Project”) as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR’s contract performance period. Also, any delays due to
weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on July 25, 2019 and terminates upon the completion of the Scope of Services or on June 30, 2022, whichever occurs first.
ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR’s compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR’s compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.
ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1  Nondiscrimination
In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2  ADA Compliance
In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3  Indemnification and Responsibility for Damage
CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4  No Personal Liability
Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.
Section 4.5  Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6  Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7  Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8  Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:    City of Lodi
            221 West Pine Street
            P.O. Box 3006
            Lodi, CA  95241-1910
            Attn:  Tim Conn, Electric Utility

To CONTRACTOR:  Elite Supply Source Inc.
                  2675 Land Avenue
                  Sacramento, CA  95815

Section 4.9  Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10  CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of
the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as “Confidential” or “Proprietary”, except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney’s Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney’s fees from the party who does not prevail as determined by the San Joaquin County Superior Court.
Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.
Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAILO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:

JANICE D. MAGDICH, City Attorney

ELITE SUPPLY SOURCE, INC.,
a California corporation

By: ____________________________

By: ____________________________
Name: Sean Luigs
Title: President

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: 50064100.72306, 50064100.72359
(Business Unit & Account No.)

Doc ID:

CA:Rev.01.2015
Exhibit A - Scope of Services

Elite Supply Source, Inc. (hereafter “ELITE”) shall provide “turn-key” vending services, to include selection and installation of ELITE-owned machine(s), remote-monitoring of inventory and consumption, procurement of items/replenishments, pre-packaging and re-packaging items as-needed to make them conducive for usage in machine(s), restocking of machine(s), adding and deleting users as requested by City of Lodi (hereafter “CITY”) from time-to-time, generation of consumption reports for CITY, maintenance of machine(s), monitoring of machine-errors and trouble-shooting of machine(s), general support, and invoicing.

Machine(s)

ELITE shall install ELITE-owned vending machine(s), capable of supplying all of the items on the attached stocking list (as amended per below from time-to-time).

CITY shall choose the location(s) where the machine(s) will be installed. CITY may from time-to-time move machine(s) to different locations.

Machine(s) must be able to be located outside.

Internet

Machine(s) shall communicate consumption and inventory-levels to ELITE via internet. CITY shall have the option to connect machine(s) to the internet via Wi-Fi or hard-wired Ethernet connection. If CITY cannot provide satisfactory Wi-Fi or hard-wired connection, CITY shall have the option to utilize a cell-card installed by vendor, at additional monthly cost as identified on Exhibit B Fee Proposal.

User Transactions

Dispensing transactions shall not take payment from the user, instead accepting user-credentials including RFID cards from authorized users.

User Management

Machine(s) shall have the capability to recognize at least 100 authorized users. CITY can request an unlimited number of additions & deletions of authorized users.

Restocking

ELITE shall remotely monitor consumption, and as often as consumption requires, shall procure replenishments and re-stock machine to avoid out-of-stock situations. Stocking shall occur within the business hours of 7:30am – 4:00pm Mon-Fri (excluding CITY Holidays), and shall not require the involvement of CITY personnel, nor interfere with CITY business.
Invoicing

Invoices shall be for dispensed-items only, and not for any items within the machine(s) yet to be dispensed (items within the machine(s) belong to ELITE until dispensed).

Amendments to Stocked-Items List

Additions and deletions to the “Stocked Items” list (found in Exhibit B “Fee Proposal”) are possible, by mutual agreement between ELITE and CITY, with items and pricing established in-writing, in-advance.

Substitutions

ELITE will not substitute any item unless agreed upon by CITY in-writing, in-advance.

Email

For purposes of amendments and substitutions, email shall satisfy requirement for “in-writing.”

Reports

As may be requested by CITY from time-to-time ELITE shall provide Excel-format consumption reports, to include any information requested by CITY (such as, date, time, user, commodity).

Removal of equipment

Upon termination of agreement, ELITE has 45-days to remove ELITE’S equipment, including any items within machine(s), after which CITY may dispose of at will.

Single Point-of-Contact

ELITE shall provide a single point-of-contact CITY can use for all matters pertaining to this agreement:

Name: Sean Luigs
Telephone Number: (916) 804 - 3794
Email Address: sluigs@elitesupplysource.com
Mailing Address: Elite Supply Source, 2675 Land Ave. Sacramento, CA 95815

Not-To-Exceed

Total costs are not to exceed $40,000 per year.
### Exhibit B - Fee Proposal

<table>
<thead>
<tr>
<th>Stocked-Items</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety glasses, Smith &amp; Wesson, Clear, 21303</td>
<td>$ 6.86</td>
</tr>
<tr>
<td>Safety glasses, Smith &amp; Wesson, Tinted, 21303</td>
<td>$ 6.98</td>
</tr>
<tr>
<td>Safety glasses, Nemesis, Clear, 25688</td>
<td>$ 3.83</td>
</tr>
<tr>
<td>Safety glasses, Nemesis, Tinted, 25688</td>
<td>$ 3.96</td>
</tr>
<tr>
<td>Lineman gloves, Junz Glove Company, model 552, Size S</td>
<td>$ 38.86</td>
</tr>
<tr>
<td>Lineman gloves, Junz Glove Company, model 552, Size M</td>
<td>$ 38.86</td>
</tr>
<tr>
<td>Lineman gloves, Junz Glove Company, model 552, Size L</td>
<td>$ 38.86</td>
</tr>
<tr>
<td>Lineman gloves, Junz Glove Company, model 552, Size SL</td>
<td>$ 38.86</td>
</tr>
<tr>
<td>Batteries, 9V</td>
<td>$ 1.70</td>
</tr>
<tr>
<td>Batteries, AAA</td>
<td>$ 0.38</td>
</tr>
<tr>
<td>Batteries, AA</td>
<td>$ 0.38</td>
</tr>
<tr>
<td>Batteries, C</td>
<td>$ 0.91</td>
</tr>
<tr>
<td>Batteries, D</td>
<td>$ 1.20</td>
</tr>
<tr>
<td>Super Penetrant, Frontier Super Penetrant No. 852</td>
<td>$ 12.96</td>
</tr>
<tr>
<td>Window Cleaner, Frontier Great Glass Cleaner, No. 865</td>
<td>$ 11.98</td>
</tr>
<tr>
<td>Sun Screen</td>
<td>$ 2.98</td>
</tr>
<tr>
<td>Hand Sanitizer</td>
<td>$ 4.86</td>
</tr>
<tr>
<td>HD Electrical Grade Cleaner Product 87000</td>
<td>$ 8.22</td>
</tr>
<tr>
<td>Select Wipes Blue Spunlace Wipers Pro-Series Wipers 92131</td>
<td>$ 7.55</td>
</tr>
<tr>
<td>Spray paint, Rust-oleum precision line water-based inverted marking paint, white</td>
<td>$ 3.49</td>
</tr>
<tr>
<td>Spray paint, Rust-oleum precision line water-based inverted marking paint, red</td>
<td>$ 3.49</td>
</tr>
<tr>
<td>N-95 dust masks</td>
<td>$ 13.98</td>
</tr>
<tr>
<td>Cut/puncture resistant gloves, Memphis 92783, size small</td>
<td>$ 3.25</td>
</tr>
<tr>
<td>Cut/puncture resistant gloves, Memphis 92783, size medium</td>
<td>$ 3.25</td>
</tr>
<tr>
<td>Cut/puncture resistant gloves, Memphis 92783, size large</td>
<td>$ 3.25</td>
</tr>
<tr>
<td>Cut/puncture resistant gloves, Memphis 92783, size x-large</td>
<td>$ 3.25</td>
</tr>
<tr>
<td>Wireless cell-card fees, per month</td>
<td>$ 50.00</td>
</tr>
<tr>
<td>Add/delete user to/from machine(s)</td>
<td>$ 0.00</td>
</tr>
<tr>
<td>Additional fees &amp; expenses, per-month (not linked to a specific dispensed-item):</td>
<td>$ 0.00</td>
</tr>
</tbody>
</table>

**Tax:** The above prices do not include tax, and will be adjusted to include applicable rate at time of sale.

**CPI:** On the 12-months anniversary date, vendor may adjust pricing to account for inflation, not-to-exceed the CPI data from January to December of the preceding year, as identified by the Bureau of Labor Statistics, San Francisco, CPI-U, non-seasonally adjusted.
EXHIBIT C

NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically

Insurance Requirements for Most Contracts
(Not construction or requiring professional liability)

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $2,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. **Workers’ Compensation**: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

Other Insurance Provisions:

(a) **Additional Named Insured Status**
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used

(b) **Primary and Non-Contributory Insurance Endorsement**
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor’s insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it.

(c) **Waiver of Subrogation** Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer

**NOTE:** (1) The street address of the CITY OF LODI must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(d) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractor's commercial general liability and automobile liability policies.

(e) **Notice of Cancellation or Change in Coverage Endorsement**
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St, Lodi, CA 95240.
(f) **Continuity of Coverage**
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

(g) **Failure to Comply**
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) **Verification of Coverage**
Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.**

(i) **Self-Insured Retentions**
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

(j) **Insurance Limits**
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

(k) **Subcontractors**
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors.

(l) **Qualified Insurer(s)**
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.
THIRD PARTY WAIVER

Date: __________, 2019

<table>
<thead>
<tr>
<th>Premises (Address):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Legal Name: Elite Supply Source, Inc.</td>
</tr>
<tr>
<td>Agreement Date:</td>
</tr>
<tr>
<td>Agreement Number:</td>
</tr>
</tbody>
</table>

The below-identified company (the "Company") will possess the Collateral (defined below) at the premises ("Premises"). The above-described Customer (the "Customer") is leasing the equipment from, or has granted or is granting a continuing lien and security interest to, UniFi Equipment Finance, Inc., its successors and assigns (collectively referred to herein as "Lender") in certain collateral, including the following ("Collateral"): 

__________________________ Machine _______" x _______" Dimensions

NOW, THEREFORE, the Company, hereby acknowledges and agrees to the following:

1. Company does not have and shall not have any ownership interest in the Collateral and any and all liens, claims, demands, or rights, including but not limited to the right to levy or distress for unpaid amounts, which the Company now has or hereafter acquires on or in any of the Collateral shall be subordinate and inferior to the ownership rights or the lien and security interest of Lender, and as to Lender, the Company hereby specifically waives and relinquishes all rights of levy, distraint or execution with respect to such Collateral.

2. All Collateral shall, at all times, be considered to be personal property and not a part of the Premises, so long as any monies are owing to Lender by Customer.

3. Lender may at any time during normal business hours enter upon the Premises and remove the Collateral.

4. The Company shall not place or allow any lien or other encumbrance to be placed on the Collateral by or through the Company.

5. No modification or addition to this waiver shall be effective unless it is in a writing signed by the Company and Lender. Each provision of this waiver shall be interpreted in such a manner as to be effective and valid under applicable law. If any provision of this waiver is construed to be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, and without invalidating the remainder of such provision or the remaining provisions of this waiver. The failure or delay by either party to exercise any right or pursue any remedy under this waiver or otherwise shall not operate as a waiver of any such right or remedy. The Company agrees that the Agreement date and number may be inserted at any time, including without limitation after its execution hereof. This waiver shall be binding upon and shall inure to the benefit of the Company and its respective successors and assigns. A facsimile or other copy of this waiver shall have the full force and effect of the original.

This Third Party Waiver is dated as first set forth above.

Company's Legal Name:

City of Lodi, Electric Utility

BY: ____________________________

Print: __________________________

Company's Address:

1331 S. Ham Ln.

City/State/Zip: Lodi, Ca. 95242

Phone: (209) 333-6800

*Please fax completed and signed Addendum to (800) 968-2808. Questions? Call (800) 748-0015

Approved as to Form:

JANICE D. MAGDICH
City Attorney
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT FOR VENDING AND SUPPLY-CHAIN AUTOMATION SERVICES WITH ELITE SUPPLY SOURCE, INC., OF SACRAMENTO, AND A THIRD PARTY WAIVER WITH UNIFI EQUIPMENT FINANCE, INC., OF ANN ARBOR, MICHIGAN

WHEREAS, Lodi Electric Utility (LEU) currently purchases various consumables and other miscellaneous safety supplies from multiple suppliers; and

WHEREAS, LEU seeks to streamline its operations by procuring turn-key vending and supply-chain automation services by installing customized vendor-owned machine(s) capable of supplying utility-selected materials and items on demand to authorized users; and

WHEREAS, in addition to streamlining operations, staff foresees realizing a number of efficiencies, such as better item availability, reduced employee wait times, around-the-clock availability, and improved access/inventory control; and

WHEREAS, since this service simply provides a different method for procuring certain types of items which LEU is already purchasing, LEU anticipates no net increase in spending. Funding for these items currently comes from various LEU operating accounts, depending on the specific item, and will continue to be budgeted and allocated accordingly; and

WHEREAS, LEU requested and received proposals from multiple vendors for these services, and of the proposals received, staff recommends Elite Supply Source, Inc., to provide the requested materials and services.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with Elite Supply Source, Inc., of Sacramento, California, for vending and supply-chain automation services, in an amount not to exceed $120,000 over a three-year period; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a third party waiver with UniFi Equipment Finance, Inc., of Ann Arbor, Michigan.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk

2019-____
AGENDA TITLE: Adopt Resolution Ratifying Employment Agreement Entered into Between City Manager Stephen Schwabauer and Electric Utility Director Jeffrey D. Berkheimer

MEETING DATE: July 17, 2019

PREPARED BY: City Manager

RECOMMENDED ACTION: Adopt resolution ratifying employment agreement entered into between City Manager Stephen Schwabauer and Electric Utility Director Jeffrey D. Berkheimer.

BACKGROUND INFORMATION: Lodi Municipal Code Section 2.12.060 vests with the City Manager the power to select subordinate staff. As a result of an open and competitive selection process, the City Manager has selected Sacramento Municipal Utility District’s Manager of Distribution Operations Engineering, Jeffrey D. Berkheimer, as Lodi’s next Electric Utility Director.

The City Manager wishes to provide Mr. Berkheimer with certain terms and conditions related to employment that extend beyond the Manager’s authority and therefore requests ratification by the City Council.

The proposed agreement is an “at-will” agreement and contains a base salary of $179,000 annually (the same salary as the most recent director), six-month severance payment for termination other than cause, 40 hour bank of vacation leave concurrent with his start date that will expire after first 12-months of Employment, vacation accrual of 120.12 hours of vacation leave per calendar year increasing from there, and benefits similar to what other executive managers receive under the City’s Executive Management Statement of Benefits. A copy of the agreement is attached.

The position of Electric Utility Director has been vacant since the retirement of Elizabeth A. Kirkley in December, 2018. An extensive recruitment was conducted and a number of qualifying applications were received. Interviews and assessments were conducted of the 5 top-rated applicants. NCPA Representative and Councilmember Mark Chandler participated in the interviews.

Mr. Berkheimer is a Licensed Professional Engineer and holds of Bachelor of Science degree in Electrical Engineering from the University of California, Davis. He has worked for SMUD his entire career, came highly recommended by his staff and the interview panel and has strong interpersonal and management skills.

FISCAL IMPACT: N/A.

FUNDING AVAILABLE: This position was included in the FY 2019/20 budget.

______________________________
Stephen Schwabauer, City Manager
Adopt Resolution Ratifying Employment Agreement Entered into Between City Manager Stephen Schwabauer and Electric Utility Director Jeffrey D. Berkheimer
July 17, 2019
Page 2 of 2

_______________________________
Stephen Schwabauer
City Manager
EMPLOYMENT AGREEMENT

Executive Management
(Exempt Service)

Electric Utility Director

THIS AGREEMENT entered into effective July 19, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as “City”) and JEFFREY D. BERKHEIMER, an individual (hereinafter referred to as “Employee”).

WHEREAS, Employee desires to be employed as the Electric Utility Director and City desires to employ the services of Employee as the Electric Utility Director; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Electric Utility Director; and

WHEREAS, Employee and City agree and acknowledge that Employee’s employment as the Electric Utility Director is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the parties mutually agree as follows:

1. **Employment:** City agrees to employ Employee as the Electric Utility Director, in accordance with the following provisions:

   (a) Employee shall serve as the Electric Utility Director, and shall be responsible for managing and directing the operations of the Electric Utility in accordance with an agreed upon performance plan.

   (b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

   (c) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

   (d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his employment as Electric Utility Director, and shall not engage in any other employment.

   (e) Employee acknowledges that he is subject to City of Lodi’s Rules for Personnel Administration, amended October 6, 2010, and Administrative Policies and Procedure Manual, as each may be amended from time to time by action of the City Council.

2. **Start Date:** Employee shall begin work as the Electric Utility Director effective August 12, 2019.

3. **Maintenance of Professional Expertise:** To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary
constraints: maintain membership in professional organizations related to electric utility administration and related professional disciplines; attend workshops, seminars and other similar activities designed to advance Employee's professional development; and, represent the City in professional associations and other organizations.

4. **Resignation or Termination:**

   (a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

   (b) The parties recognize and affirm that Employee may be terminated by the City Manager of the City of Lodi ("City Manager") with cause, which shall mean gross insubordination, incapacity, dereliction of duty, violation of state or federal employment practice laws or regulations, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

   (c) The parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

   (d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a public statement to be made by the City. This employment relationship is based on the mutual respect between the parties and a desire to maintain the highest degree of professionalism. In communicating with third parties about the parties' employment relationship and the circumstances under which it may have been severed, the parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either party.

   (e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

5. **Severance Pay:** If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of the Electric Utility Director, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits subject to reduction as set forth in this Paragraph 5. The severance payment will be paid over time at the same time as other employees of the City are paid and subject to customary withholdings. In the event Employee retains new employment during the six month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new Employment. To be eligible for such severance pay, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City. Payment under this paragraph will release City from any further obligations under this Agreement, or any other transaction between the parties.

6. **Employment as Department Head is Sole Employment with City:** Employee further represents and acknowledges that his employment as the Electric Utility Director is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City or to any employment in the classified service.
7. **Salary:**

   (a) City agrees to pay Employee $179,000.00 in salary per annum for his services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding. The City may reduce base salary compensation or other financial benefits of Employee as part of general salary reduction in pay among and common to all City employees.

8. **Benefits:** The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits dated 2012, and as may from time to time be amended by the City Council, increased or decreased, except as modified herein ("Executive Statement of Benefits"). These are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, and life insurance. Employee shall receive a bank of 40 hours of vacation leave concurrent with his start date that can only be used during Employee's first 12-months of Employment. Employee's vacation leave shall be calculated as if he were in his sixth year of continuous service to the City (i.e. Employee will accrue 120.12 hours of paid vacation leave per calendar year), increasing from there as provided in the Executive Management Statement of Benefits.

9. **Performance Evaluation:** The City Manager shall review and evaluate the performance of Employee each year and set goals and objectives for the ensuing year. Such review and evaluation shall be in accordance with specific criteria developed in the performance plan in consultation with Employee and the City Manager.

10. **Assignment:** Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

11. **Authority to Work in the United States:** Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with §274A (8 USC 1324) of the Immigration Reform and Control Act of 1986 before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he is legally entitled to work in the United States, and must execute the verification required by that Act.

12. **Cell Phone/Vehicle:** Employee will be provided with a Cell Phone for employment related use at the City's expense or a monthly stipend, at Employee's option, on terms consistent with other Executive Managers. Employee will also be provided with access to the Electric Utility Pool Car for work related use on an as available basis.

13. **Notice:** All notices required herein shall be sent first class mail to the parties as follows:

   **To CITY:**
   
   City of Lodi
   Attn: City Manager’s Office
   P. O. Box 3006
   Lodi, CA 95241-1910

   **To EMPLOYEE:**
   
   Jeffrey D. Berkheimer
   7410 Acaso Court
   Rancho Murrieta, CA 95683
Notice shall be deemed effectively served upon deposit in the United States mail. Either party may change the “Notice” address by notifying the other party in writing of such change.

14. Entire Agreement: This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager and approved by the City Council in open session.

15. Severability: If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year written above.

EMPLOYEE

By: JEFFREY D. BERKHEIMER

CITY OF LODI, a municipal corporation

By: STEPHEN SCHWABAUER
City Manager

ATTEST:

By: JENNIFER M. FERRAILO
City Clerk

APPROVED AS TO FORM:

By: JANICE D. MAGDIC
City Attorney
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL
RATIFYING THE EMPLOYMENT AGREEMENT
BETWEEN THE CITY MANAGER AND ELECTRIC
UTILITY DIRECTOR JEFFREY D. BERKHEIMER

=================================================================================

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
ratify the Employment Agreement entered into between the City Manager and Electric
Utility Director Jeffrey D. Berkheimer, as shown on Exhibit “A” attached hereto and
made a part hereof.

Dated: July 17, 2019

=================================================================================

I hereby certify that Resolution No. 2019-____ was passed and adopted by the
City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following
vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk
EMPLOYMENT AGREEMENT

Executive Management
(Exempt Service)

Electric Utility Director

THIS AGREEMENT entered into effective July 19, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter referred to as "City") and JEFFREY D. BERKHEIMER, an individual (hereinafter referred to as "Employee").

WHEREAS, Employee desires to be employed as the Electric Utility Director and City desires to employ the services of Employee as the Electric Utility Director; and

WHEREAS, City and Employee agree in writing to the terms and conditions of employment as Electric Utility Director; and

WHEREAS, Employee and City agree and acknowledge that Employee's employment as the Electric Utility Director is his sole and exclusive employment with City, and that their employment relationship is governed solely and exclusively by this Agreement.

NOW, THEREFORE, in consideration of the promises and conditions set forth herein, the parties mutually agree as follows:

1. **Employment**: City agrees to employ Employee as the Electric Utility Director, in accordance with the following provisions:

   (a) Employee shall serve as the Electric Utility Director, and shall be responsible for managing and directing the operations of the Electric Utility in accordance with an agreed upon performance plan.

   (b) Employee shall perform his duties to the best of his ability in accordance with the highest professional and ethical standards of the profession and shall comply with all general rules and regulations established by the City.

   (c) Employee shall not engage in any activity which is or may become a conflict of interest, prohibited contract, or which may create an incompatibility of office as defined under California law. Employee shall comply fully with his reporting and disclosure obligations under regulations promulgated by the Fair Political Practices Commission (FPPC).

   (d) Employee agrees to remain in the exclusive employ of the City during the term of this Agreement. Employee shall dedicate his full energies and qualifications to his employment as Electric Utility Director, and shall not engage in any other employment.

   (e) Employee acknowledges that he is subject to City of Lodi's Rules for Personnel Administration, amended October 6, 2010, and Administrative Policies and Procedure Manual, as each may be amended from time to time by action of the City Council.

2. **Start Date**: Employee shall begin work as the Electric Utility Director effective August 12, 2019.

3. **Maintenance of Professional Expertise**: To promote continued professional growth and benefit to the City, Employee shall, at City expense and consistent with budgetary...
4. Resignation or Termination:

(a) Employee may resign at any time and agrees to give City at least 30 days advance written notice of the effective date of his resignation. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(b) The parties recognize and affirm that Employee may be terminated by the City Manager of the City of Lodi ("City Manager") with cause, which shall mean gross insubordination, incapacity, dereliction of duty, violation of state or federal employment practice laws or regulations, conviction of a crime involving acts of moral turpitude or involving personal gain to him, or material breach of this Agreement. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

(c) The parties recognize and affirm that Employee may be terminated by the City Manager without cause. In such event, Employee shall be entitled to severance pay as provided in Paragraph 5 herein.

(d) In the event of termination and in recognition of Employee's professional status and integrity, Employee and the City Manager shall prepare a public statement to be made by the City. This employment relationship is based on the mutual respect between the parties and a desire to maintain the highest degree of professionalism. In communicating with third parties about the parties' employment relationship and the circumstances under which it may have been severed, the parties shall (a) protect and advance their mutual respect and professionalism, and (b) refrain from making statements that would negatively impact either party.

(e) Employee may choose to resign or retire his office instead of being terminated if agreed to by the City Manager. In such an event the public announcement, as provided for in Paragraph 4 (d) above, will note Employee has resigned or retired. The provisions of Paragraph 4 (d) shall remain applicable. In such event, Employee shall not be entitled to severance pay as provided in Paragraph 5 herein.

5. Severance Pay: If Employee is terminated by the City Manager without cause while still willing and able to perform the duties of the Electric Utility Director, City agrees to pay Employee a cash payment equal to six (6) months' aggregate salary and the City's cost of six (6) months' health insurance benefits subject to reduction as set forth in this Paragraph 5. The severance payment will be paid over time at the same time as other employees of the City are paid and subject to customary withholdings. In the event Employee retains new employment during the six month severance period, any remaining severance payment will be forfeited as of the date Employee begins his new Employment. To be eligible for such severance pay, Employee shall fulfill all of his obligations under this Agreement, and shall sign an Acknowledgment and Release of Claims against the City. Payment under this paragraph will release City from any further obligations under this Agreement, or any other transaction between the parties.

6. Employment as Department Head is Sole Employment with City: Employee further represents and acknowledges that his employment as the Electric Utility Director is his sole and exclusive employment with the City. Employee has no right to any other exempt position with the City or to any employment in the classified service.
7. **Salary:**

(a) City agrees to pay Employee $179,000.00 in salary per annum for his services, payable in installments at the same time as other employees of the City are paid and subject to customary withholding. The City may reduce base salary compensation or other financial benefits of Employee as part of general salary reduction in pay among and common to all City employees.

8. **Benefits:** The City shall provide Employee the same benefits as provided to management employees in accordance with the terms of the Executive Management Statement of Benefits dated 2012, and as may from time to time be amended by the City Council, increased or decreased, except as modified herein ("Executive Statement of Benefits"). These are the sole and exclusive benefits to be provided to Employee. Any improvement or modification of such benefits may only be made by written instrument signed by the City Manager. As used herein, benefits include, but are not limited to: vacation, sick leave, holidays, administrative leave, retirement, vision insurance, health insurance, dental insurance, and life insurance. Employee shall receive a bank of 40 hours of vacation leave concurrent with his start date that can only be used during Employee’s first 12-months of Employment. Employee’s vacation leave shall be calculated as if he were in his sixth year of continuous service to the City (i.e. Employee will accrue 120.12 hours of paid vacation leave per calendar year), increasing from there as provided in the Executive Management Statement of Benefits.

9. **Performance Evaluation:** The City Manager shall review and evaluate the performance of Employee each year and set goals and objectives for the ensuing year. Such review and evaluation shall be in accordance with specific criteria developed in the performance plan in consultation with Employee and the City Manager.

10. **Assignment:** Employee shall not assign any of the duties and responsibilities, or obligations of this Agreement except with the express written consent of the City Manager.

11. **Authority to Work in the United States:** Employee represents, under penalty of perjury, that he is authorized to work in the United States. In accordance with §274A (8 USC 1324) of the Immigration Reform and Control Act of 1986 before this Agreement can become effective, Employee must provide documentary evidence to City consistent with the Act, that he is legally entitled to work in the United States, and must execute the verification required by that Act.

12. **Cell Phone/Vehicle:** Employee will be provided with a Cell Phone for employment related use at the City’s expense or a monthly stipend, at Employee’s option, on terms consistent with other Executive Managers. Employee will also be provided with access to the Electric Utility Pool Car for work related use on an as available basis.

13. **Notice:** All notices required herein shall be sent first class mail to the parties as follows:

   **To CITY:**
   
   City of Lodi  
   Attn: City Manager’s Office  
   P. O. Box 3006  
   Lodi, CA 95241-1910  

   **To EMPLOYEE:**
   
   Jeffrey D. Berkheimer  
   7410 Acaso Court  
   Rancho Murrieta, CA 95683
Notice shall be deemed effectively served upon deposit in the United States mail. Either party may change the "Notice" address by notifying the other party in writing of such change.

14. **Entire Agreement:** This Agreement contains the entire agreement between the parties hereto. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied on by any party hereto. This Agreement may only be amended by written instrument signed by Employee and the City Manager and approved by the City Council in open session.

15. **Severability:** If any provision of this Agreement is invalid or unenforceable, it shall be considered deleted herefrom and the remainder of this Agreement shall be unaffected and shall continue in full force and effect.

**IN WITNESS WHEREOF,** the parties have executed this Agreement the day and year written above.

**EMPLOYEE**

By: [Signature]

JEFFREY D. BERKHEIMER

CITY OF LODI, a municipal corporation

By: [Signature]

STEPHEN SCHWABAUER
City Manager

**ATTEST:**

By: [Signature]

JENNIFER M. FERRAILO
City Clerk

**APPROVED AS TO FORM:**

By: [Signature]

JANICE D. MAGDICH
City Attorney
Cities of Lodi
Council Communication

Agenda Title: Adopt Resolution Authoring City Manager to Execute Professional Services Agreement with Sierra Geotech, of Rocklin, for Construction Testing and Inspection Services for Lockeford Street Improvement Project ($50,000)

Meeting Date: July 17, 2019

Prepared By: Public Works Director

Recommended Action: Adopt resolution authorizing City Manager to execute Professional Services Agreement with Sierra Geotech, of Rocklin, for Construction Testing and Inspection Services for Lockeford Street Improvement Project, in the amount of $50,000.

Background Information: At the February 12, 2019 City Council meeting, Council authorized the City Manager to award a contract for construction of the Lockeford Street Improvement Project to the lowest responsive bidder. George Reed, Inc., of Modesto, was awarded the contract in the amount of $2,831,439.

The project requires independent special inspections and materials testing to assure the construction is properly performed. City staff solicited proposals for testing and inspection services and received proposals from two qualified firms. These proposals were received and evaluated by a selection committee made up of the Public Works Director, the City Engineer/Deputy Public Works Director, and the Construction Project Manager. Sierra Geotech is the only firm that met the Disadvantaged Business Enterprise (DBE) requirements of the project funding and was selected to perform the required testing and inspection services during construction. Services will be billed on a not-to-exceed, time-and-materials basis.

These services will be required during the course of construction. Actual construction activities began in April 2019. Project completion is expected in October 2019.

Staff recommends authorizing City Manager to execute Professional Services Agreement with Sierra Geotech, of Rocklin, for Construction Testing and Inspection Services for Lockeford Street Improvement Project, in the amount of $50,000.

Fiscal Impact: Construction testing and inspection services are necessary to assure proper construction materials and techniques are utilized. This agreement will not impact the General Fund.

Approved: Stephen Schwabauer, City Manager
FUNDING AVAILABLE:  Funding for this agreement is budgeted in the following accounts:

- RSTP Grant (30799000)
- CMAQ Grant (30799000)
- Gas Tax (30299000)
- Storm Fund (23199000)
- Water Fund (56100000)

Andrew Keys
Deputy City Manager/Internal Services Director

Charles E. Swimley, Jr.
Public Works Director

cc: Sierra Geotech
AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on ________________, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and SIERRA GEOTECH DBE, INC., a California corporation (hereinafter "CONTRACTOR").

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for construction testing and inspection services for Lockeford Street Improvements Project (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR's contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall
remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on July 1, 2019 and terminates upon the completion of the Scope of Services or on June 30, 2020, whichever occurs first.
ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Prevailing Wage

The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

Section 3.3 Contractor Registration – Labor Code §1725.5

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

Section 3.4 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.5 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advanced and in writing, by CITY.

Section 3.6 (AB 626) Public Contract Code Section 9204 – Public Works Project
Contract Dispute Resolution Procedure
Section 9204 of the California Public Contract Code (the "Code") provides a claim resolution process for "Public Works Project" contracts, as defined, which is hereby incorporated by this reference, and summarized in the following:

Definitions:
"Claim" means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by the City under a contract for a Public Works Project.

(B) Payment of money or damages arising from work done by, or on behalf of, a contractor pursuant to a contract for a Public Works Project and payment for which is not otherwise expressly provided or to which a claimant is not otherwise entitled.

(C) Payment of an amount that is disputed by the City.

"Public Works Project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

Claim Resolution Process:

(1) All Claims must be properly submitted pursuant to the Code and include reasonable documentation supporting the Claim. Upon receipt of a Claim, the City will conduct a reasonable review, and within a period not to exceed 45 days, will provide the claimant a written statement identifying the disputed and undisputed portions of the Claim. The City and contractor may, by mutual agreement, extend the time periods in which to review and respond to a Claim. If the City fails to issue a written statement, paragraph (3) applies.

Any payment due on a portion of the Claim deemed not in dispute by the City will be processed and made within 60 days after the City issues its written statement.

(2) If the claimant disputes the City's response, or if the City fails to respond to a Claim within the time prescribed in the Code, the claimant may demand in writing, by registered mail or certified mail, return receipt requested, an informal conference to meet and confer for settlement of the issues in dispute, which will be conducted within 30 days of receipt.

If the Claim or any portion thereof remains in dispute after the meet and confer conference, the City will provide the claimant a written statement, within 10 business days, identifying the remaining disputed and undisputed portions of the Claim. Any payment due on an undisputed portion of the Claim will be processed and made within
60 days after the City issues its written statement. Any disputed portion of the Claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, as set forth in the Code, unless mutually waived and agreed, in writing, to proceed directly to a civil action or binding arbitration, as applicable.

(3) A Claim that is not responded to within the time requirements set forth in the Code is deemed rejected in its entirety. A Claim that is denied by reason of such failure does not constitute an adverse finding with regard to the merits of the Claim or the responsibility or qualifications of the claimant.

(4) Amounts not paid in a timely manner as required by the Code will bear interest at 7 percent per annum.

(5) Subcontractors or lower tier subcontractors that lack legal standing or privity of contract to assert a Claim directly against the City, may request in writing, on their behalf or the behalf of a lower tier subcontractor, that the contractor present a Claim to the City for work performed by the subcontractor or lower tier subcontractor. The request shall be accompanied by reasonable documentation to support the Claim. Within 45 days of receipt of such written request, the contractor shall notify the subcontractor in writing as to whether the contractor presented the Claim to the City and, if the original contractor did not present the Claim, provide the subcontractor with a statement of the reasons for not having done so.

The Claim resolution procedures and timelines set forth in the Code are in addition to any other change order, claim, and dispute resolution procedures and requirements set forth in the City contract documents, to the extent that they are not in conflict with the timeframes and procedures the Code.

Section 3.6 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be
relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination
In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance
In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage
CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney’s fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.
Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910
Attn: Gary Wiman, Construction Project Manager

To CONTRACTOR: Sierra Geotech DBE, Inc.
2250 Sierra Meadows Drive, Suite A
Rocklin, CA 95677
Attn: Shaun Vemuri, P.E., MBA

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.
Section 4.10 CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney's Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be vened with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney's
fees from the party who does not prevail as determined by the San Joaquin County Superior Court.

**Section 4.14 City Business License Requirement**

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

**Section 4.15 Captions**

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

**Section 4.16 Integration and Modification**

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

**Section 4.17 Contract Terms Prevail**

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

**Section 4.18 Severability**

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

**Section 4.19 Ownership of Documents**

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.
CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Provisions for Local Assistance Federal-Aid Projects

[✓] If the box at left is checked, the Federal Provisions for Local Assistance Federal-Aid Projects ("Federal Provisions") attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Provisions, the Federal Provisions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

CITY OF LODI, a municipal corporation

ATTEST:

JENNIFER M. FERRAIOLO          CHARLES E. SWIMLEY, JR.
City Clerk                   Public Works Director

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

SIERRA GEOTECH DBE, INC., a California corporation

By: ________________________________      By: ________________________________
Name: SHAUN VEMURI, P.E., MBA
Title: Managing Principal

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Provisions for Local Assistance Federal-Aid Projects

Funding Source: _______________________
(Business Unit & Account No.)

Doc ID:

CA:Rev.07.2019
PART B
REQUEST FOR PROPOSAL PRICING FORM

Proposals are due no later than 5:00 p.m. on:
May 23, 2019

Location:
City of Lodi
Public Works Department
Attn: Gary R. Wiman, Construction Project Manager
221 West Pine Street
P.O. Box 3006
Lodi, CA 95241-1910

Proposer:
The undersigned hereby proposes and agrees to furnish any and all required labor, material, transportation, insurance, and incidentals necessary to provide quality assurance testing and inspecting services pertaining to the LOCKEFDOR STREET IMPROVEMENTS PROJECT in accordance with the terms and conditions of the Request for Proposal on file at the City of Lodi, Public Works Department. Proposer declares that the only persons or parties interested in this proposal as principals are those named herein; that this proposal is made without collusion with any other person, firm, or corporation; that the undersigned will contract with the City of Lodi to provide these services in the manner and time prescribed; and that the undersigned will take in full payment therefore an amount based on the unit prices specified herein below for the various services, the total value of said services for the not-to-exceed sum of forty nine thousand six hundred Dollars.

It is understood and agreed that the quantities of services under each item are approximate, being given as a basis of comparison of proposals, and the right is reserved by the City to increase or decrease the amount of work under any item as may be required by the City, in accordance with this agreement.

It is further understood and agreed that the total amount of money set forth for each item of work, or as the total amount proposed for the project, does not constitute an agreement to pay a lump sum for these services. The quantities may be increased or decreased depending on the job requirements.

IMPORTANT NOTICE
If the proposer is a corporation, state legal name of corporation, also names of president, secretary, treasurer, and manager thereof. If a co-partnership, state true name of firm. If an individual, state first and last name in full.

Firm Name: SIERRA GEOTECH DBE, INC

By: 

Dated: 5/23/19
Shaun Vemuri

President: SHAUN VEMURI
Secretary: SETH JAYNE
Treasurer: SETH JAYNE
Manager: SHAUN VEMURI
NOTE: All items must be completed for proposal to be considered valid.

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Qty.</th>
<th>Unit</th>
<th>Field Unit Price</th>
<th>Lab Unit Price</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Soils/Asphalt</td>
<td></td>
<td></td>
<td>$100</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Density (Curve) Cal 216</td>
<td>10</td>
<td>Ea.</td>
<td></td>
<td></td>
<td>$1,000</td>
</tr>
<tr>
<td></td>
<td>Road Subgrade/Agg. base compaction Testing</td>
<td>200</td>
<td>Hr.</td>
<td>$120</td>
<td></td>
<td>$2,400</td>
</tr>
<tr>
<td></td>
<td>CTM 202 Sieve Analysis</td>
<td>2</td>
<td>Ea.</td>
<td>$100</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td></td>
<td>CTM 217 Sand Equivalent</td>
<td>2</td>
<td>Ea.</td>
<td>$100</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td></td>
<td>CTM 229 Aggregate Durability</td>
<td>2</td>
<td>Ea.</td>
<td>$100</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td></td>
<td>CTM 301 R Value</td>
<td>1</td>
<td>Ea.</td>
<td>$300</td>
<td></td>
<td>$300</td>
</tr>
<tr>
<td></td>
<td>CTM 382 Asphalt Content Ignition Oven</td>
<td>4</td>
<td>Ea.</td>
<td>$150</td>
<td></td>
<td>$600</td>
</tr>
<tr>
<td></td>
<td>CTM 309 Max. Specific Gravity HMA Mix</td>
<td>4</td>
<td>Ea.</td>
<td>$50</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td></td>
<td>CTM 308 Max. Specific Gravity of Compacted Mix</td>
<td>4</td>
<td>Ea.</td>
<td>$50</td>
<td></td>
<td>$200</td>
</tr>
<tr>
<td></td>
<td>HMA Mix Design Review</td>
<td>5</td>
<td>Ea.</td>
<td>$100</td>
<td></td>
<td>$500</td>
</tr>
<tr>
<td></td>
<td>Asphalt Compaction Testing - Nuclear Gauge</td>
<td>40</td>
<td>Hr.</td>
<td>$120</td>
<td></td>
<td>$4,800</td>
</tr>
<tr>
<td></td>
<td>CTM 375 Asphalt Compaction Testing - Field Coring</td>
<td>24</td>
<td>Hr.</td>
<td>$200</td>
<td></td>
<td>$4,800</td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$37,000</td>
</tr>
<tr>
<td>Item</td>
<td>Description</td>
<td>Qty.</td>
<td>Unit</td>
<td>Field Unit Price</td>
<td>Lab Unit Price</td>
<td>Total Cost</td>
</tr>
<tr>
<td>------</td>
<td>---------------------------</td>
<td>------</td>
<td>------</td>
<td>------------------</td>
<td>----------------</td>
<td>------------</td>
</tr>
<tr>
<td>2</td>
<td>Professional Services</td>
<td></td>
<td></td>
<td>$138.60</td>
<td>$138.60</td>
<td>$2,772</td>
</tr>
<tr>
<td></td>
<td>Senior Staff Engineer</td>
<td>20</td>
<td>Hr.</td>
<td>$138.60</td>
<td></td>
<td>$2,772</td>
</tr>
<tr>
<td></td>
<td>Field Technician</td>
<td>40</td>
<td>Hr.</td>
<td>$118.75</td>
<td></td>
<td>$4,750</td>
</tr>
<tr>
<td></td>
<td>Lab Technician</td>
<td>16</td>
<td>Hr.</td>
<td>$75.00</td>
<td></td>
<td>$1,200</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8,722</td>
</tr>
<tr>
<td>3</td>
<td>Miscellaneous</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Premium Diff. for OT</td>
<td>40</td>
<td>Hr.</td>
<td>$75.00</td>
<td>$0</td>
<td>$3,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$3,000</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$48,722</td>
</tr>
</tbody>
</table>

End of Part B
NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City's online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically.

Insurance Requirements for Professional Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. **Workers’ Compensation**: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the Consultant’s profession, with limits not less than $1,000,000 per occurrence or claim, $2,000,000 aggregate. May be waived by Risk Manager depending on the scope of services.

Other Insurance Provisions:

(a) **Additional Named Insured Status**

The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used.

(b) **Primary and Non-Contributory Insurance Endorsement**

The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor’s insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

(c) **Waiver of Subrogation** Contractor hereby grants to City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer.

NOTE: (1) The street address of the CITY OF LODI must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(d) **Severability of Interest Clause**

The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability under the Contractors commercial general liability and automobile liability policies.

(e) **Notice of Cancellation or Change in Coverage Endorsement**

This policy may not be canceled without 30 days' prior written notice of such cancellation to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA, 95240.
(f) **Continuity of Coverage**
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor’s insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

(g) **Failure to Comply** Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) **Verification of Coverage**
Consultant shall furnish the City with a copy of the insurance certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant’s obligation to provide them.

(i) **Self-Insured Retentions**
Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

(j) **Insurance Limits**
The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

(k) **Subcontractors**
Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors.

(l) **Claims Made Policies**
If any of the required policies provide coverage on a claims-made basis:
1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

(m) **Qualified Insurer(s)**
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least “A-” by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LES Li list) and otherwise meet City requirements.
EXHIBIT 10-R: A&E BOILERPLATE AGREEMENT LANGUAGE
(For Local Assistance Federal-aid Projects)

NOTE TO LOCAL AGENCY - BE SURE THAT YOUR LEGAL STAFF REVIEWS AND APPROVES ALL CONSULTANT CONTRACTS BEFORE EXECUTION. THIS AGREEMENT LANGUAGE IS RECOMMENDED LANGUAGE. MODIFY AS RECOMMENDED BY YOUR OWN LEGAL STAFF AND TO FIT YOUR PARTICULAR REQUIREMENTS AND PROJECT.

THE FISCAL AND FEDERAL PROVISIONS ARE REQUIRED IN ALL FEDERALLY FUNDED CONTRACTS. THE ORIGINAL INTENT OF THE ARTICLE SHALL REMAIN, IF MODIFIED BY YOUR LEGAL STAFF.

This exhibit contains fiscal requirements from 2 CFR 200 and may be used for state-only funded contracts as well.

TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARTICLE I INTRODUCTION</td>
<td>3</td>
</tr>
<tr>
<td>ARTICLE II CONSULTANT'S REPORTS OR MEETINGS</td>
<td>4</td>
</tr>
<tr>
<td>ARTICLE III STATEMENT OF WORK</td>
<td>5</td>
</tr>
<tr>
<td>ARTICLE IV PERFORMANCE PERIOD</td>
<td>6</td>
</tr>
<tr>
<td>ARTICLE V ALLOWABLE COSTS AND PAYMENTS</td>
<td>6</td>
</tr>
<tr>
<td>ARTICLE VI TERMINATION</td>
<td>11</td>
</tr>
<tr>
<td>ARTICLE VII COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS</td>
<td>12</td>
</tr>
<tr>
<td>ARTICLE VIII RETENTION OF RECORD/AUDITS</td>
<td>12</td>
</tr>
<tr>
<td>ARTICLE IX AUDIT REVIEW PROCEDURES</td>
<td>12</td>
</tr>
<tr>
<td>ARTICLE X SUBCONTRACTING</td>
<td>14</td>
</tr>
<tr>
<td>ARTICLE XI EQUIPMENT PURCHASE AND OTHER CAPITAL EXPENDITURES</td>
<td>15</td>
</tr>
<tr>
<td>ARTICLE XII STATE PREVAILING WAGE RATES</td>
<td>15</td>
</tr>
<tr>
<td>ARTICLE XIII CONFLICT OF INTEREST</td>
<td>19</td>
</tr>
<tr>
<td>ARTICLE XIV REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION</td>
<td>19</td>
</tr>
<tr>
<td>ARTICLE XV PROHIBITION OF EXPENDING LOCAL AGENCY, STATE, OR FEDERAL FUNDS FOR LOBBYING</td>
<td>20</td>
</tr>
<tr>
<td>ARTICLE XVI NON-DISCRIMINATION CLAUSE AND STATEMENT OF COMPLIANCE</td>
<td>20</td>
</tr>
<tr>
<td>ARTICLE XVII DEBARMENT AND SUSPENSION CERTIFICATION</td>
<td>21</td>
</tr>
<tr>
<td>ARTICLE XVIII DISADVANTAGED BUSINESS ENTERPRISES (DBE) PARTICIPATION</td>
<td>22</td>
</tr>
<tr>
<td>ARTICLE XIX INSURANCE</td>
<td>24</td>
</tr>
<tr>
<td>ARTICLE XX FUNDING REQUIREMENTS</td>
<td>25</td>
</tr>
<tr>
<td>ARTICLE XXI CHANGE IN TERMS</td>
<td>25</td>
</tr>
<tr>
<td>ARTICLE XXII CONTINGENT FEE</td>
<td>25</td>
</tr>
<tr>
<td>ARTICLE XXIII DISPUTES</td>
<td>25</td>
</tr>
</tbody>
</table>
ARTICLE I INTRODUCTION

This AGREEMENT is between the following named, hereinafter referred to as, CONSULTANT and the following named, hereinafter referred to as, LOCAL AGENCY:

The name of the "CONSULTANT" is as follows:
(NAME OF CONSULTANT)

Incorporated in the State of (NAME OF STATE)
The Project Manager for the "CONSULTANT" will be (NAME)
The name of the "LOCAL AGENCY" is as follows:
(NAME)

The Contract Administrator for LOCAL AGENCY will be (NAME)

B. The work to be performed under this AGREEMENT is described in Article III Statement of Work and the approved CONSULTANT’s Cost Proposal dated (DATE). The approved CONSULTANT’s Cost Proposal is attached hereto (Attachment #) and incorporated by reference. If there is any conflict between the approved Cost Proposal and this AGREEMENT, this AGREEMENT shall take precedence.

C. CONSULTANT agrees to the fullest extent permitted by law, to indemnify, protect, defend, and hold harmless LOCAL AGENCY, its officers, officials, agents, employees and volunteers from and against any and all claims, damages, demands, liability, costs, losses and expenses, including without limitation, court costs and reasonable attorneys’ and expert witness fees, arising out of any failure to comply with applicable law, any injury to or death of any person(s), damage to property, loss of use of property, economic loss or otherwise arising out of the performance of the work described herein, to the extent caused by a negligent act or negligent failure to act, errors, omissions, recklessness or willful misconduct incident to the performance of this AGREEMENT on the part of CONSULTANT, except such loss or damage which was caused by the sole negligence, or willful misconduct of LOCAL AGENCY, as determined by a Court of competent jurisdiction. The provisions of this section shall survive termination or suspension of this AGREEMENT.

D. CONSULTANT in the performance of this AGREEMENT, shall act in an independent capacity. It is understood and agreed that CONSULTANT (including CONSULTANT’s employees) is an independent contractor and that no relationship of employer-employee exists between the Parties hereto. CONSULTANT’s assigned personnel shall not be entitled to any benefits payable to employees of City.

E. LOCAL AGENCY is not required to make any deductions or withholdings from the compensation payable to CONSULTANT under the provisions of the AGREEMENT, and is not required to issue W-2 Forms for income and employment tax purposes for any of CONSULTANT’s assigned personnel. CONSULTANT, in the performance of its obligation hereunder, is only subject to the control or direction of the LOCAL AGENCY as to the designation of tasks to be performed and the results to be accomplished.

F. Any third party person(s) employed by CONSULTANT shall be entirely and exclusively under the direction, supervision, and control of CONSULTANT. CONSULTANT hereby indemnifies and
holds LOCAL AGENCY harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this AGREEMENT.

G. Except as expressly authorized herein, CONSULTANT's obligations under this AGREEMENT are not assignable or transferable, and CONSULTANT shall not subcontract any work, without the prior written approval of the Local AGENCY. However, claims for money due or which become due to CONSULTANT from City under this AGREEMENT may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to the LOCAL AGENCY.

H. CONSULTANT shall be as fully responsible to the LOCAL AGENCY for the negligent acts and omissions of its contractors and subcontractors or subconsultants, and of persons either directly or indirectly employed by them, in the same manner as persons directly employed by CONSULTANT.

I. No alteration or variation of the terms of this AGREEMENT shall be valid, unless made in writing and signed by the parties authorized to bind the parties; and no oral understanding or agreement not incorporated herein, shall be binding on any of the parties hereto.

J. The consideration to be paid to CONSULTANT as provided herein, shall be in compensation for all of CONSULTANT's expenses incurred in the performance hereof, including travel and per diem, unless otherwise expressly so provided.

ARTICLE II CONSULTANT'S REPORTS OR MEETINGS

(Choose either Option 1 or Option 2)

(Option 1 - Use paragraphs A & B below for standard AGREEMENTs)

A. CONSULTANT shall submit progress reports at least once a month. The report should be sufficiently detailed for the LOCAL AGENCY's Contract Administrator to determine, if CONSULTANT is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

B. CONSULTANT's Project Manager shall meet with LOCAL AGENCY's Contract Administrator, as needed, to discuss progress on the AGREEMENT.

(Option 2 - Use paragraphs A & B below for on-call AGREEMENTs)

A. CONSULTANT shall submit progress reports on each specific project in accordance with the Task Order. These reports shall be submitted at least once a month. The report should be sufficiently detailed for LOCAL AGENCY's Contract Administrator or Project Coordinator to determine, if CONSULTANT is performing to expectations, or is on schedule; to provide communication of interim findings, and to sufficiently address any difficulties or special problems encountered, so remedies can be developed.

B. CONSULTANT's Project Manager shall meet with LOCAL AGENCY's Contract Administrator or Project Coordinator, as needed, to discuss progress on the project(s).
ARTICLE III STATEMENT OF WORK

(Insert Appropriate Statement of work including a Description of the Deliverables) in the following sections. If a section does not apply to the AGREEMENT, state “Not Applicable to this AGREEMENT.”)

A. CONSULTANT Services
   Detail based on the services to be furnished should be provided by CONSULTANT. Nature and extent should be verified in the negotiations to make precise statements to eliminate subsequent uncertainties and misunderstandings. Reference to the appropriate standards for design or other standards for work performance stipulated in CONSULTANT AGREEMENT should be included. Describe acceptance criteria, and if the responsible CONSULTANT/engineer shall sign all Plans, Specifications and Estimate (PS&E) and engineering data furnished under the AGREEMENT including registration number.

Environmental documents are not considered complete until a Caltrans District Senior Environmental Planner signs the Categorical Exclusion, a Caltrans Deputy District Director signs the Finding of No Significant Impact, or the Caltrans District Director signs the Record of Decision (see LAPM Chapter 6: Environmental Procedures, and the Standard Environmental Reference).

B. Right of Way
   State whether Right of Way requirements are to be determined and shown by CONSULTANT, whether land surveys and computations with metes and bounds descriptions are to be made, and whether Right of Way parcel maps are to be furnished.

C. Surveys
   State whether or not the CONSULTANT has the responsibility for performing preliminary or construction surveys.

D. Subsurface Investigations
   State specifically whether or not CONSULTANT has responsibility for making subsurface investigations. If borings or other specialized services are to be made by others under the supervision of CONSULTANT, appropriate provisions are to be incorporated. Archaeological testing and data recovery guidance can be found in the Standard Environmental Reference.

E. Local Agency Obligations
   All data applicable to the project and in possession of LOCAL AGENCY, another agency, or government agency that are to be made available to CONSULTANT are referred to in the AGREEMENT. Any other assistance or services to be furnished to CONSULTANT are to be stated clearly.

F. Conferences, Site Visits, Inspection of Work
   This AGREEMENT provides for conferences as needed, visits to the site, and inspection of the work by representatives of the LOCAL AGENCY, State, and/or FHWA. Costs incurred by CONSULTANT for meetings, subsequent to the initial meeting shall be included in the fee.

G. Checking Shop Drawings
   For AGREEMENTs requiring the preparation of construction drawings, make provision for checking shop drawings. Payment for checking shop drawings by CONSULTANT may be included in the AGREEMENT fee, or provision may be made for separate payment.
H. CONSULTANT Services During Construction
The extent, if any of CONSULTANT’s services during the course of construction as material testing, construction surveys, etc., are specified in the AGREEMENT together with the method of payment for such services.

I. Documentation and Schedules
AGREEMENTs where appropriate, shall provide that CONSULTANT document the results of the work to the satisfaction of LOCAL AGENCY, and if applicable, the State and FHWA. This may include preparation of progress and final reports, plans, specifications and estimates, or similar evidence of attainment of the AGREEMENT objectives.

J. Deliverables and Number of Copies
The number of copies or documents to be furnished, such as reports, brochures, sets of plans, specifications, or Right of Way parcel maps shall be specified. Provision may be made for payment for additional copies.

ARTICLE IV PERFORMANCE PERIOD
A time must be set for beginning and ending the work under the AGREEMENT. The time allowed for performing the work is specified; it should be reasonable for the kind and amount of services contemplated; and it is written into the AGREEMENT. If it is desirable that Critical Path Method (CPM) networks, or other types of schedules be prepared by CONSULTANT, they should be identified and incorporated into the AGREEMENT.

A. This AGREEMENT shall go into effect on (DATE), contingent upon approval by LOCAL AGENCY, and CONSULTANT shall commence work after notification to proceed by LOCAL AGENCY’S Contract Administrator. The AGREEMENT shall end on (DATE), unless extended by AGREEMENT amendment.

B. CONSULTANT is advised that any recommendation for AGREEMENT award is not binding on LOCAL AGENCY until the AGREEMENT is fully executed and approved by LOCAL AGENCY.

Use paragraph C below in addition to paragraphs A & B above for on-call AGREEMENTs. On-call AGREEMENTs shall be 5 years maximum.

C. The period of performance for each specific project shall be in accordance with the Task Order for that project. If work on a Task Order is in progress on the expiration date of this AGREEMENT, the terms of the AGREEMENT shall be extended by AGREEMENT amendment prior to the expiration of the contract to cover the time needed to complete the task order in progress only. The maximum term shall not exceed five (5) years.

ARTICLE V ALLOWABLE COSTS AND PAYMENTS
(Choose either Option 1, 2, 3, or 4)

(Option 1 - Use paragraphs A through K below for Actual Cost-Plus-Fixed Fee AGREEMENTs. Use Exhibit 10-H1: Cost Proposal Format)

A. The method of payment for this AGREEMENT will be based on actual cost plus a fixed fee. LOCAL AGENCY will reimburse CONSULTANT for actual costs (including labor costs, employee benefits, travel, equipment rental costs, overhead and other direct costs) incurred by CONSULTANT
in performance of the work. CONSULTANT will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead, and other estimated costs set forth in the approved CONSULTANT’S Cost Proposal, unless additional reimbursement is provided for by AGREEMENT amendment. In no event, will CONSULTANT be reimbursed for overhead costs at a rate that exceeds LOCAL AGENCY’s approved overhead rate set forth in the Cost Proposal. In the event, that LOCAL AGENCY determines that a change to the work from that specified in the Cost Proposal and AGREEMENT is required, the AGREEMENT time or actual costs reimbursable by LOCAL AGENCY shall be adjusted by AGREEMENT amendment to accommodate the changed work. The maximum total cost as specified in Paragraph “I” of this Article shall not be exceeded, unless authorized by AGREEMENT amendment.

B. The indirect cost rate established for this AGREEMENT is extended through the duration of this specific AGREEMENT. CONSULTANT’s agreement to the extension of the 1-year applicable period shall not be a condition or qualification to be considered for the work or AGREEMENT award.

C. In addition to the allowable incurred costs, LOCAL AGENCY will pay CONSULTANT a fixed fee of $\text{AMOUNT}. The fixed fee is nonadjustable for the term of the AGREEMENT, except in the event of a significant change in the scope of work and such adjustment is made by AGREEMENT amendment.

D. Reimbursement for transportation and subsistence costs shall not exceed the rates specified in the approved Cost Proposal.

E. When milestone cost estimates are included in the approved Cost Proposal, CONSULTANT shall obtain prior written approval for a revised milestone cost estimate from the Contract Administrator before exceeding such cost estimate.

F. Progress payments will be made monthly in arrears based on services provided and allowable incurred costs. A pro rata portion of CONSULTANT’s fixed fee will be included in the monthly progress payments. If CONSULTANT fails to submit the required deliverable items according to the schedule set forth in Article III Statement of Work, LOCAL AGENCY shall have the right to delay payment or terminate this AGREEMENT.

G. No payment will be made prior to approval of any work, nor for any work performed prior to approval of this AGREEMENT.

H. CONSULTANT will be reimbursed promptly according to California Regulations upon receipt by LOCAL AGENCY’s Contract Administrator of itemized invoices in duplicate. Invoices shall be submitted no later than thirty (30) calendar days after the performance of work for which CONSULTANT is billing. Invoices shall detail the work performed on each milestone and each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this AGREEMENT number and project title. Final invoice must contain the final cost and all credits due LOCAL AGENCY including any equipment purchased under the provisions of Article XI Equipment Purchase. The final invoice should be submitted within sixty (60) calendar days after completion of CONSULTANT’s work. Invoices shall be mailed to LOCAL AGENCY’s Contract Administrator at the following address:
I. The total amount payable by LOCAL AGENCY including the fixed fee shall not exceed $(Amount).

J. Salary increases will be reimbursable if the new salary is within the salary range identified in the approved Cost Proposal and is approved by LOCAL AGENCY’s Contract Administrator.

K. For personnel subject to prevailing wage rates as described in the California Labor Code, all salary increases, which are the direct result of changes in the prevailing wage rates are reimbursable.

(Option 2 - For Cost per Unit of Work AGREEMENTs, replace paragraphs A & B of Option 1 with the following paragraphs A, B, and C and re-letter the remaining paragraphs. Adjust as necessary for work specific to your project. Use Exhibit 10-H3: Cost Proposal Format)

A. The method of payment for the following items shall be at the rate specified for each item, as described in this Article. The specified rate shall include full compensation to CONSULTANT for the item as described, including but not limited to, any repairs, maintenance, or insurance, and no further compensation will be allowed therefore.

B. The specified rate to be paid for vehicle expense for CONSULTANT’s field personnel shall be $(Amount) per approved Cost Proposal. This rate shall be for fully equipped vehicle(s) specified in Article III Statement of Work, as applicable. The specified rate to be paid for equipment shall be, as listed in the approved Cost Proposal.

C. The method of payment for this AGREEMENT, except those items to be paid for on a specified rate basis, will be based on cost per unit of work. LOCAL AGENCY will reimburse CONSULTANT for actual costs (including labor costs, employee benefits, travel, equipment-rental costs, overhead and other direct costs) incurred by CONSULTANT in performance of the work. CONSULTANT will not be reimbursed for actual costs that exceed the estimated wage rates, employee benefits, travel, equipment rental, overhead and other estimated costs set forth in the approved Cost Proposal, unless additional reimbursement is provided for, by AGREEMENT amendment. In no event, will CONSULTANT be reimbursed for overhead costs at a rate that exceeds LOCAL AGENCY approved overhead rate set forth in the approved Cost Proposal. In the event, LOCAL AGENCY determines that changed work from that specified in the approved Cost Proposal and AGREEMENT is required; the actual costs reimbursable by LOCAL AGENCY may be adjusted by AGREEMENT amendment to accommodate the changed work. The maximum total cost as specified in Paragraph “I,” of this article shall not be exceeded unless authorized by AGREEMENT amendment.

(Option 3 - Use paragraphs A through P for Specific Rates of Compensation Agreements [such as on-call Agreements]. This payment method shall only be used when it is not possible at the time of procurement to estimate the extent or duration of the work or to estimate costs with any reasonable degree of accuracy. The specific rates of compensation payment method should be limited to AGREEMENTs or components of AGREEMENTs for specialized or support type services where the CONSULTANT is not in direct control of the number of hours worked, such as construction engineering and inspection. Use Exhibit 10-H2: Cost Proposal Format).
A. CONSULTANT will be reimbursed for hours worked at the hourly rates specified in the CONSULTANT’s approved Cost Proposal. The specified hourly rates shall include direct salary costs, employee benefits, prevailing wages, employer payments, overhead, and fee. These rates are not adjustable for the performance period set forth in this AGREEMENT. CONSULTANT will be reimbursed within thirty (30) days upon receipt by LOCAL AGENCY’S Contract Administrator of itemized invoices in duplicate.

B. In addition, CONSULTANT will be reimbursed for incurred (actual) direct costs other than salary costs that are in the approved Cost Proposal and identified in the approved Cost Proposal and in the executed Task Order.

C. Specific projects will be assigned to CONSULTANT through issuance of Task Orders.

D. After a project to be performed under this AGREEMENT is identified by LOCAL AGENCY, LOCAL AGENCY will prepare a draft Task Order; less the cost estimate. A draft Task Order will identify the scope of services, expected results, project deliverables, period of performance, project schedule and will designate a LOCAL AGENCY Project Coordinator. The draft Task Order will be delivered to CONSULTANT for review. CONSULTANT shall return the draft Task Order within ten (10) calendar days along with a Cost Estimate, including a written estimate of the number of hours and hourly rates per staff person, any anticipated reimbursable expenses, overhead, fee if any, and total dollar amount. After agreement has been reached on the negotiable items and total cost; the finalized Task Order shall be signed by both LOCAL AGENCY and CONSULTANT.

E. Task Orders may be negotiated for a lump sum (Firm Fixed Price) or for specific rates of compensation, both of which must be based on the labor and other rates set forth in CONSULTANT’s approved Cost Proposal.

CONSULTANT shall be responsible for any future adjustments to prevailing wage rates including, but not limited to, base hourly rates and employer payments as determined by the Department of Industrial Relations. CONSULTANT is responsible for paying the appropriate rate, including escalations that take place during the term of the AGREEMENT.

F. (Local agency to include either (a) or (b) below; delete the other one)
   (a) Reimbursement for transportation and subsistence costs shall not exceed State rates.
   (b) Reimbursement for transportation and subsistence costs shall not exceed the rates as specified in the approved Cost Proposal. CONSULTANT will be responsible for transportation and subsistence costs in excess of State rates.

G. When milestone cost estimates are included in the approved Cost Proposal, CONSULTANT shall obtain prior written approval in the form of an AGREEMENT amendment for a revised milestone cost estimate from the Contract Administrator before exceeding such estimate.

H. Progress payments for each Task Order will be made monthly in arrears based on services provided and actual costs incurred.

I. CONSULTANT shall not commence performance of work or services until this AGREEMENT has been approved by LOCAL AGENCY and notification to proceed has been issued by LOCAL
AGENCY’S Contract Administrator. No payment will be made prior to approval or for any work performed prior to approval of this AGREEMENT.

J. A Task Order is of no force or effect until returned to LOCAL AGENCY and signed by an authorized representative of LOCAL AGENCY. No expenditures are authorized on a project and work shall not commence until a Task Order for that project has been executed by LOCAL AGENCY.

K. CONSULTANT will be reimbursed within thirty (30) days upon receipt by LOCAL AGENCY’S Contract Administrator of itemized invoices in duplicate. Separate invoices itemizing all costs are required for all work performed under each Task Order. Invoices shall be submitted no later than thirty (30) calendar days after the performance of work for which CONSULTANT is billing, or upon completion of the Task Order. Invoices shall detail the work performed on each milestone, on each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this AGREEMENT number, project title and Task Order number. Credits due LOCAL AGENCY that include any equipment purchased under the provisions of Article XI Equipment Purchase, must be reimbursed by CONSULTANT prior to the expiration or termination of this AGREEMENT. Invoices shall be mailed to LOCAL AGENCY’s Contract Administrator at the following address:

(NAME OF LOCAL AGENCY/ NAME OF CONTRACT ADMINISTRATOR)

(ADDRESS)

L. The period of performance for Task Orders shall be in accordance with dates specified in the Task Order. No Task Order will be written which extends beyond the expiration date of this AGREEMENT.

M. The total amount payable by LOCAL AGENCY for an individual Task Order shall not exceed the amount agreed to in the Task Order, unless authorized by amendment.

N. If CONSULTANT fails to satisfactorily complete a deliverable according to the schedule set forth in a Task Order, no payment will be made until the deliverable has been satisfactorily completed.

O. Task Orders may not be used to amend the language (or the terms) of this AGREEMENT nor to exceed the scope of work under this AGREEMENT.

P. The total amount payable by LOCAL AGENCY for all Task Orders resulting from this AGREEMENT shall not exceed $ (Amount). It is understood and agreed that there is no guarantee, either expressed or implied that this dollar amount will be authorized under this AGREEMENT through Task Orders.

(Option 4 - Use paragraphs A through E below for lump sum agreements. Use Exhibit 10-H1: Cost Proposal Format)

A. The method of payment for this AGREEMENT will be based on lump sum. The total lump sum price paid to CONSULTANT will include compensation for all work and deliverables, including travel and equipment described in Article III Statement of Work. No additional compensation will be paid to CONSULTANT, unless there is a change in the scope of the work or the scope of the project. In the instance of a change in the scope of work or scope of the project, adjustment to the
total lump sum compensation will be negotiated between CONSULTANT and LOCAL AGENCY. Adjustment in the total lump sum compensation will not be effective until authorized by AGREEMENT amendment and approved by LOCAL AGENCY.

B. Progress payments may be made monthly in arrears based on the percentage of work completed by CONSULTANT. If CONSULTANT fails to submit the required deliverable items according to the schedule set forth in Article III Statement of Work, LOCAL AGENCY shall have the right to delay payment or terminate this AGREEMENT in accordance with the provisions of Article VI Termination.

C. CONSULTANT shall not commence performance of work or services until this AGREEMENT has been approved by LOCAL AGENCY and notification to proceed has been issued by LOCAL AGENCY’S Contract Administrator. No payment will be made prior to approval of any work, or for any work performed prior to approval of this AGREEMENT.

D. CONSULTANT will be reimbursed within thirty (30) days upon receipt by LOCAL AGENCY’S Contract Administrator of itemized invoices in duplicate. Invoices shall be submitted no later than thirty (30) calendar days after the performance of work for which CONSULTANT is billing. Invoices shall detail the work performed on each milestone, on each project as applicable. Invoices shall follow the format stipulated for the approved Cost Proposal and shall reference this AGREEMENT number and project title. Final invoice must contain the final cost and all credits due LOCAL AGENCY that include any equipment purchased under the provisions of Article XI Equipment Purchase. The final invoice must be submitted within sixty (60) calendar days after completion of CONSULTANT’s work unless a later date is approved by the LOCAL AGENCY. Invoices shall be mailed to LOCAL AGENCY’s Contract Administrator at the following address:

(LOCAL AGENCY/NAME OF CONTRACT ADMINISTRATOR)

(ADDRESS)

E. The total amount payable by LOCAL AGENCY shall not exceed $(Amount).

ARTICLE VI TERMINATION

A. This AGREEMENT may be terminated by LOCAL AGENCY, provided that LOCAL AGENCY gives not less than thirty (30) calendar days’ written notice (delivered by certified mail, return receipt requested) of intent to terminate. Upon termination, LOCAL AGENCY shall be entitled to all work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date, whether completed or not, and in accordance with Section 15, Property of LOCAL AGENCY.

B. LOCAL AGENCY may temporarily suspend this AGREEMENT, at no additional cost to LOCAL AGENCY, provided that CONSULTANT is given written notice (delivered by certified mail, return receipt requested) of temporary suspension. If LOCAL AGENCY gives such notice of temporary suspension, CONSULTANT shall immediately suspend its activities under this AGREEMENT. A temporary suspension may be issued concurrent with the notice of termination provided for in subsection A of this section.

C. Notwithstanding any provisions of this AGREEMENT, CONSULTANT shall not be relieved of liability to LOCAL AGENCY for damages sustained by City by virtue of any breach of this AGREEMENT by CONSULTANT, and City may withhold any payments due to CONSULTANT
until such time as the exact amount of damages, if any, due City from CONSULTANT is determined.

D. In the event of termination, CONSULTANT shall be compensated as provided for in this AGREEMENT, except as provided in Section 11C. Upon termination, LOCAL AGENCY shall be entitled to all work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date, whether completed or not, and in accordance with Section 15, Property of LOCAL AGENCY.

ARTICLE VII COST PRINCIPLES AND ADMINISTRATIVE REQUIREMENTS

A. The CONSULTANT agrees that 48 CFR Part 31, Contract Cost Principles and Procedures, shall be used to determine the allowability of individual terms of cost.

B. The CONSULTANT also agrees to comply with Federal procedures in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

C. Any costs for which payment has been made to the CONSULTANT that are determined by subsequent audit to be unallowable under 48 CFR Part 31 or 2 CFR Part 200 are subject to repayment by the CONSULTANT to LOCAL AGENCY.

D. When a CONSULTANT or Subconsultant is a Non-Profit Organization or an Institution of Higher Education, the Cost Principles for Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards shall apply.

ARTICLE VIII RETENTION OF RECORD/AUDITS

For the purpose of determining compliance with Gov. Code § 8546.7, the CONSULTANT, Subconsultants, and LOCAL AGENCY shall maintain all books, documents, papers, accounting records, Independent CPA Audited Indirect Cost Rate workpapers, and other evidence pertaining to the performance of the AGREEMENT including, but not limited to, the costs of administering the AGREEMENT. All parties, including the CONSULTANT’s Independent CPA, shall make such workpapers and materials available at their respective offices at all reasonable times during the AGREEMENT period and for three (3) years from the date of final payment under the AGREEMENT. LOCAL AGENCY, Caltrans Auditor, FHWA, or any duly authorized representative of the Federal government having jurisdiction under Federal laws or regulations (including the basis of Federal funding in whole or in part) shall have access to any books, records, and documents of the CONSULTANT, Subconsultants, and the CONSULTANT’s Independent CPA, that are pertinent to the AGREEMENT for audits, examinations, workpaper review, excerpts, and transactions, and copies thereof shall be furnished if requested without limitation.

ARTICLE IX AUDIT REVIEW PROCEDURES

A. Any dispute concerning a question of fact arising under an interim or post audit of this AGREEMENT that is not disposed of by AGREEMENT, shall be reviewed by LOCAL AGENCY’S Chief Financial Officer.

B. Not later than thirty (30) calendar days after issuance of the final audit report, CONSULTANT may request a review by LOCAL AGENCY’S Chief Financial Officer of unresolved audit issues. The request for review will be submitted in writing.
C. Neither the pendency of a dispute nor its consideration by LOCAL AGENCY will excuse CONSULTANT from full and timely performance, in accordance with the terms of this AGREEMENT.

D. CONSULTANT and subconsultant AGREEMENTs, including cost proposals and Indirect Cost Rates (ICR), may be subject to audits or reviews such as, but not limited to, an AGREEMENT audit, an incurred cost audit, an ICR Audit, or a CPA ICR audit work paper review. If selected for audit or review, the AGREEMENT, cost proposal and ICR and related work papers, if applicable, will be reviewed to verify compliance with 48 CFR Part 31 and other related laws and regulations. In the instances of a CPA ICR audit work paper review it is CONSULTANT’s responsibility to ensure federal, LOCAL AGENCY, or local government officials are allowed full access to the CPA’s work papers including making copies as necessary. The AGREEMENT, cost proposal, and ICR shall be adjusted by CONSULTANT and approved by LOCAL AGENCY Contract Administrator to conform to the audit or review recommendations. CONSULTANT agrees that individual terms of costs identified in the audit report shall be incorporated into the AGREEMENT by this reference if directed by LOCAL AGENCY at its sole discretion. Refusal by CONSULTANT to incorporate audit or review recommendations, or to ensure that the federal, LOCAL AGENCY or local governments have access to CPA work papers, will be considered a breach of AGREEMENT terms and cause for termination of the AGREEMENT and disallowance of prior reimbursed costs.

E. CONSULTANT’s Cost Proposal may be subject to a CPA ICR Audit Work Paper Review and/or audit by Caltrans Audits and Investigation (A&I). Caltrans A&I, at its sole discretion, may review and/or audit and approve the CPA ICR documentation. The Cost Proposal shall be adjusted by the CONSULTANT and approved by the LOCAL AGENCY Contract Administrator to conform to the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report. Refusal by the CONSULTANT to incorporate the Work Paper Review recommendations included in the management letter or audit recommendations included in the audit report will be considered a breach of the AGREEMENT terms and cause for termination of the AGREEMENT and disallowance of prior reimbursed costs.

1. During Caltrans A&I’s review of the ICR audit work papers created by the CONSULTANT’s independent CPA, Caltrans A&I will work with the CPA and/or CONSULTANT toward a resolution of issues that arise during the review. Each party agrees to use its best efforts to resolve any audit disputes in a timely manner. If Caltrans A&I identifies significant issues during the review and is unable to issue a cognizant approval letter, LOCAL AGENCY will reimburse the CONSULTANT at an accepted ICR until a FAR (Federal Acquisition Regulation) compliant ICR (e.g. 48 CFR Part 31; GAGAS (Generally Accepted Auditing Standards); CAS (Cost Accounting Standards), if applicable; in accordance with procedures and guidelines of the American Association of State Highways and Transportation Officials (AASHTO) Audit Guide; and other applicable procedures and guidelines) is received and approved by A&I.

Accepted rates will be as follows:

a. If the proposed rate is less than one hundred fifty percent (150%) - the accepted rate reimbursed will be ninety percent (90%) of the proposed rate.
b. If the proposed rate is between one hundred fifty percent (150%) and two hundred percent (200%) - the accepted rate will be eighty-five percent (85%) of the proposed rate.

c. If the proposed rate is greater than two hundred percent (200%) - the accepted rate will be seventy-five percent (75%) of the proposed rate.

2. If Caltrans A&I is unable to issue a cognizant letter per paragraph E.1. above, Caltrans A&I may require CONSULTANT to submit a revised independent CPA-audited ICR and audit report within three (3) months of the effective date of the management letter. Caltrans A&I will then have up to six (6) months to review the CONSULTANT’s and/or the independent CPA’s revisions.

3. If the CONSULTANT fails to comply with the provisions of this paragraph E, or if Caltrans A&I is still unable to issue a cognizant approval letter after the revised independent CPA audited ICR is submitted, overhead cost reimbursement will be limited to the accepted ICR that was established upon initial rejection of the ICR and set forth in paragraph E.1. above for all rendered services. In this event, this accepted ICR will become the actual and final ICR for reimbursement purposes under this AGREEMENT.

4. CONSULTANT may submit to LOCAL AGENCY final invoice only when all of the following items have occurred: (1) Caltrans A&I accepts or adjusts the original or revised independent CPA audited ICR; (2) all work under this AGREEMENT has been completed to the satisfaction of LOCAL AGENCY; and, (3) Caltrans A&I has issued its final ICR review letter. The CONSULTANT MUST SUBMIT ITS FINAL INVOICE TO LOCAL AGENCY no later than sixty (60) calendar days after occurrence of the last of these items. The accepted ICR will apply to this AGREEMENT and all other agreements executed between LOCAL AGENCY and the CONSULTANT, either as a prime or subconsultant, with the same fiscal period ICR.

ARTICLE X SUBCONTRACTING

A. Nothing contained in this AGREEMENT or otherwise, shall create any contractual relation between the LOCAL AGENCY and any Subconsultants, and no subagreement shall relieve the CONSULTANT of its responsibilities and obligations hereunder. The CONSULTANT agrees to be as fully responsible to the LOCAL AGENCY for the acts and omissions of its Subconsultants and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the CONSULTANT. The CONSULTANT’s obligation to pay its Subconsultants is an independent obligation from the LOCAL AGENCY’s obligation to make payments to the CONSULTANT.

B. The CONSULTANT shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted without written authorization by the LOCAL AGENCY Contract Administrator, except that which is expressly identified in the CONSULTANT’s approved Cost Proposal.

C. Any subagreement entered into as a result of this AGREEMENT, shall contain all the provisions stipulated in this entire AGREEMENT to be applicable to Subconsultants unless otherwise noted.

D. CONSULTANT shall pay its Subconsultants within Fifteen (15) calendar days from receipt of each payment made to the CONSULTANT by the LOCAL AGENCY.
E. Any substitution of Subconsultants must be approved in writing by the LOCAL AGENCY Contract Administrator in advance of assigning work to a substitute Subconsultant.

ARTICLE XI EQUIPMENT PURCHASE AND OTHER CAPITAL EXPENDITURES

A. Prior authorization in writing by LOCAL AGENCY’s Contract Administrator shall be required before CONSULTANT enters into any unbudgeted purchase order, or subcontract exceeding five thousand dollars ($5,000) for supplies, equipment, or CONSULTANT services. CONSULTANT shall provide an evaluation of the necessity or desirability of incurring such costs.

B. For purchase of any item, service, or consulting work not covered in CONSULTANT’s approved Cost Proposal and exceeding five thousand dollars ($5,000), with prior authorization by LOCAL AGENCY’s Contract Administrator, three competitive quotations must be submitted with the request, or the absence of bidding must be adequately justified.

C. Any equipment purchased with funds provided under the terms of this AGREEMENT is subject to the following:

1. CONSULTANT shall maintain an inventory of all nonexpendable property. Nonexpendable property is defined as having a useful life of at least two years and an acquisition cost of five thousand dollars ($5,000) or more. If the purchased equipment needs replacement and is sold or traded in, LOCAL AGENCY shall receive a proper refund or credit at the conclusion of the AGREEMENT, or if the AGREEMENT is terminated, CONSULTANT may either keep the equipment and credit LOCAL AGENCY in an amount equal to its fair market value, or sell such equipment at the best price obtainable at a public or private sale, in accordance with established LOCAL AGENCY procedures; and credit LOCAL AGENCY in an amount equal to the sales price. If CONSULTANT elects to keep the equipment, fair market value shall be determined at CONSULTANT’s expense, on the basis of a competent independent appraisal of such equipment. Appraisals shall be obtained from an appraiser mutually agreeable to by LOCAL AGENCY and CONSULTANT, if it is determined to sell the equipment, the terms and conditions of such sale must be approved in advance by LOCAL AGENCY.

2. Regulation 2 CFR Part 200 requires a credit to Federal funds when participating equipment with a fair market value greater than five thousand dollars ($5,000) is credited to the project.

ARTICLE XII STATE PREVAILING WAGE RATES

A. No CONSULTANT or Subconsultant may be awarded an AGREEMENT containing public work elements unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code §1725.5. Registration with DIR must be maintained throughout the entire term of this AGREEMENT, including any subsequent amendments.

B. The CONSULTANT shall comply with all of the applicable provisions of the California Labor Code requiring the payment of prevailing wages. The General Prevailing Wage Rate Determinations applicable to work under this AGREEMENT are available and on file with the Department of Transportation’s Regional/District Labor Compliance Officer (http://www.dot.ca.gov/hq/construc/LaborCompliance/documents/District-Region_Map_Construction_7-8-15.pdf). These wage rates are made a specific part of this AGREEMENT by reference pursuant to Labor Code §1773.2 and will be applicable to work
performed at a construction project site. Prevailing wages will be applicable to all inspection work performed at LOCAL AGENCY construction sites, at LOCAL AGENCY facilities and at off-site locations that are set up by the construction contractor or one of its subcontractors solely and specifically to serve LOCAL AGENCY projects. Prevailing wage requirements do not apply to inspection work performed at the facilities of vendors and commercial materials suppliers that provide goods and services to the general public.

C. General Prevailing Wage Rate Determinations applicable to this project may also be obtained from the Department of Industrial Relations Internet site at http://www.dir.ca.gov.

D. Payroll Records
1. Each CONSULTANT and Subconsultant shall keep accurate certified payroll records and supporting documents as mandated by Labor Code §1776 and as defined in 8 CCR §16000 showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the CONSULTANT or Subconsultant in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:
   a. The information contained in the payroll record is true and correct.
   b. The employer has complied with the requirements of Labor Code §1771, §1811, and §1815 for any work performed by his or her employees on the public works project.

2. The payroll records enumerated under paragraph (1) above shall be certified as correct by the CONSULTANT under penalty of perjury. The payroll records and all supporting documents shall be made available for inspection and copying by LOCAL AGENCY representative's at all reasonable hours at the principal office of the CONSULTANT. The CONSULTANT shall provide copies of certified payrolls or permit inspection of its records as follows:
   a. A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or the employee's authorized representative on request.
   b. A certified copy of all payroll records enumerated in paragraph (1) above, shall be made available for inspection or furnished upon request to a representative of LOCAL AGENCY, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations. Certified payrolls submitted to LOCAL AGENCY, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards shall not be altered or obliterated by the CONSULTANT.
   c. The public shall not be given access to certified payroll records by the CONSULTANT. The CONSULTANT is required to forward any requests for certified payrolls to the LOCAL AGENCY Contract Administrator by both email and regular mail on the business day following receipt of the request.

3. Each CONSULTANT shall submit a certified copy of the records enumerated in paragraph (1) above, to the entity that requested the records within ten (10) calendar days after receipt of a written request.
4. Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by LOCAL AGENCY shall be marked or obliterated in such a manner as to prevent disclosure of each individual's name, address, and social security number. The name and address of the CONSULTANT or Subconsultant performing the work shall not be marked or obliterated.

5. The CONSULTANT shall inform LOCAL AGENCY of the location of the records enumerated under paragraph (1) above, including the street address, city and county, and shall, within five (5) working days, provide a notice of a change of location and address.

6. The CONSULTANT or Subconsultant shall have ten (10) calendar days in which to comply subsequent to receipt of written notice requesting the records enumerated in paragraph (1) above. In the event the CONSULTANT or Subconsultant fails to comply within the ten (10) day period, he or she shall, as a penalty to LOCAL AGENCY, forfeit one hundred dollars ($100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Such penalties shall be withheld by LOCAL AGENCY from payments then due. CONSULTANT is not subject to a penalty assessment pursuant to this section due to the failure of a Subconsultant to comply with this section.

E. When prevailing wage rates apply, the CONSULTANT is responsible for verifying compliance with certified payroll requirements. Invoice payment will not be made until the invoice is approved by the LOCAL AGENCY Contract Administrator.

F. Penalty
1. The CONSULTANT and any of its Subconsultants shall comply with Labor Code §1774 and §1775. Pursuant to Labor Code §1775, the CONSULTANT and any Subconsultant shall forfeit to the LOCAL AGENCY a penalty of not more than two hundred dollars ($200) for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of DIR for the work or craft in which the worker is employed for any public work done under the AGREEMENT by the CONSULTANT or by its Subconsultant in violation of the requirements of the Labor Code and in particular, Labor Code §§1770 to 1780, inclusive.

2. The amount of this forfeiture shall be determined by the Labor Commissioner and shall be based on consideration of mistake, inadvertence, or neglect of the CONSULTANT or Subconsultant in failing to pay the correct rate of prevailing wages, or the previous record of the CONSULTANT or Subconsultant in meeting their respective prevailing wage obligations, or the willful failure by the CONSULTANT or Subconsultant to pay the correct rates of prevailing wages. A mistake, inadvertence, or neglect in failing to pay the correct rates of prevailing wages is not excusable if the CONSULTANT or Subconsultant had knowledge of the obligations under the Labor Code. The CONSULTANT is responsible for paying the appropriate rate, including any escalations that take place during the term of the AGREEMENT.

3. In addition to the penalty and pursuant to Labor Code §1775, the difference between the prevailing wage rates and the amount paid to each worker for each calendar day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the CONSULTANT or Subconsultant.

4. If a worker employed by a Subconsultant on a public works project is not paid the general prevailing per diem wages by the Subconsultant, the prime CONSULTANT of the project is not liable for the penalties described above unless the prime CONSULTANT had knowledge of that
failure of the Subconsultant to pay the specified prevailing rate of wages to those workers or unless the prime CONSULTANT fails to comply with all of the following requirements:

a. The AGREEMENT executed between the CONSULTANT and the Subconsultant for the performance of work on public works projects shall include a copy of the requirements in Labor Code §§ 1771, 1775, 1776, 1777.5, 1813, and 1815.

b. The CONSULTANT shall monitor the payment of the specified general prevailing rate of per diem wages by the Subconsultant to the employees by periodic review of the certified payroll records of the Subconsultant.

c. Upon becoming aware of the Subconsultant’s failure to pay the specified prevailing rate of wages to the Subconsultant’s workers, the CONSULTANT shall diligently take corrective action to halt or rectify the failure, including but not limited to, retaining sufficient funds due the Subconsultant for work performed on the public works project.

d. Prior to making final payment to the Subconsultant for work performed on the public works project, the CONSULTANT shall obtain an affidavit signed under penalty of perjury from the Subconsultant that the Subconsultant had paid the specified general prevailing rate of per diem wages to the Subconsultant’s employees on the public works project and any amounts due pursuant to Labor Code §1813.

5. Pursuant to Labor Code §1775, LOCAL AGENCY shall notify the CONSULTANT on a public works project within fifteen (15) calendar days of receipt of a complaint that a Subconsultant has failed to pay workers the general prevailing rate of per diem wages.

6. If LOCAL AGENCY determines that employees of a Subconsultant were not paid the general prevailing rate of per diem wages and if LOCAL AGENCY did not retain sufficient money under the AGREEMENT to pay those employees the balance of wages owed under the general prevailing rate of per diem wages, the CONSULTANT shall withhold an amount of moneys due the Subconsultant sufficient to pay those employees the general prevailing rate of per diem wages if requested by LOCAL AGENCY.

G. Hours of Labor
   Eight (8) hours labor constitutes a legal day’s work. The CONSULTANT shall forfeit, as a penalty to the LOCAL AGENCY, twenty-five dollars ($25) for each worker employed in the execution of the AGREEMENT by the CONSULTANT or any of its Subconsultants for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code, and in particular §§1810 to 1815 thereof, inclusive, except that work performed by employees in excess of eight (8) hours per day, and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day and forty (40) hours in any week, at not less than one and one-half (1.5) times the basic rate of pay, as provided in §1815.

H. Employment of Apprentices
   1. Where either the prime AGREEMENT or the subagreement exceeds thirty thousand dollars ($30,000), the CONSULTANT and any subconsultants under him or her shall comply with all applicable requirements of Labor Code §§ 1777.5, 1777.6 and 1777.7 in the employment of apprentices.
2. CONSULTANTS and subconsultants are required to comply with all Labor Code requirements regarding the employment of apprentices, including mandatory ratios of journey level to apprentice workers. Prior to commencement of work, CONSULTANT and subconsultants are advised to contact the DIR Division of Apprenticeship Standards website at https://www.dir.ca.gov/das/, for additional information regarding the employment of apprentices and for the specific journey-to-apprentice ratios for the AGREEMENT work. The CONSULTANT is responsible for all subconsultants' compliance with these requirements. Penalties are specified in Labor Code §1777.7.

ARTICLE XIII CONFLICT OF INTEREST

A. During the term of this AGREEMENT, the CONSULTANT shall disclose any financial, business, or other relationship with LOCAL AGENCY that may have an impact upon the outcome of this AGREEMENT or any ensuing LOCAL AGENCY construction project. The CONSULTANT shall also list current clients who may have a financial interest in the outcome of this AGREEMENT or any ensuing LOCAL AGENCY construction project which will follow.

B. CONSULTANT certifies that it has disclosed to LOCAL AGENCY any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this AGREEMENT. CONSULTANT agrees to advise LOCAL AGENCY of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this AGREEMENT. CONSULTANT further agrees to complete any statements of economic interest if required by either LOCAL AGENCY ordinance or State law.

C. The CONSULTANT hereby certifies that it does not now have nor shall it acquire any financial or business interest that would conflict with the performance of services under this AGREEMENT.

D. The CONSULTANT hereby certifies that the CONSULTANT or subconsultant and any firm affiliated with the CONSULTANT or subconsultant that bids on any construction contract or on any Agreement to provide construction inspection for any construction project resulting from this AGREEMENT, has established necessary controls to ensure a conflict of interest does not exist. An affiliated firm is one, which is subject to the control of the same persons, through joint ownership or otherwise.

ARTICLE XIV REBATES, KICKBACKS OR OTHER UNLAWFUL CONSIDERATION

The CONSULTANT warrants that this AGREEMENT was not obtained or secured through rebates, kickbacks or other unlawful consideration either promised or paid to any LOCAL AGENCY employee. For breach or violation of this warranty, LOCAL AGENCY shall have the right, in its discretion, to terminate this AGREEMENT without liability, to pay only for the value of the work actually performed, or to deduct from this AGREEMENT price or otherwise recover the full amount of such rebate, kickback or other unlawful consideration.
ARTICLE XV PROHIBITION OF EXPENDING LOCAL AGENCY, STATE, OR FEDERAL FUNDS FOR LOBBYING

(Include this article in all AGREEMENTs where federal funding will exceed $150,000. If less than $150,000 in federal funds will be expended on the AGREEMENT; delete this article and re-number the subsequent articles.)

A. The CONSULTANT certifies, to the best of his or her knowledge and belief, that:

1. No State, Federal, or LOCAL AGENCY appropriated funds have been paid or will be paid, by or on behalf of the CONSULTANT, to any person for influencing or attempting to influence an officer or employee of any local, State, or Federal agency, a Member of the State Legislature or United States Congress, an officer or employee of the Legislature or Congress, or any employee of a Member of the Legislature or Congress in connection with the awarding or making of this AGREEMENT, or with the extension, continuation, renewal, amendment, or modification of this AGREEMENT.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this AGREEMENT, the CONSULTANT shall complete and submit Standard Form-LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions.

B. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. §1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than ten thousand dollars ($10,000) and not more than one hundred thousand dollars ($100,000) for each such failure.

C. The CONSULTANT also agrees by signing this document that he or she shall require that the language of this certification be included in all lower tier subagreements, which exceed one hundred thousand dollars ($100,000), and that all such subrecipients shall certify and disclose accordingly.

ARTICLE XVI NON-DISCRIMINATION CLAUSE AND STATEMENT OF COMPLIANCE

A. The CONSULTANT’s signature affixed herein and dated shall constitute a certification under penalty of perjury under the laws of the State of California that the CONSULTANT has, unless exempt, complied with the nondiscrimination program requirements of Gov. Code §12990 and 2 CCR § 8103.

B. During the performance of this AGREEMENT, CONSULTANT and its subconsultants shall not deny the AGREEMENT’s benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military
and veteran status. CONSULTANT and subconsultants shall insure that the evaluation and
treatment of their employees and applicants for employment are free from such discrimination and
harassment.

C. CONSULTANT and subconsultants shall comply with the provisions of the Fair Employment and
Housing Act (Gov. Code §12990 et seq.), the applicable regulations promulgated there under (2
CCR §11000 et seq.), the provisions of Gov. Code §§11135-11139.5, and the regulations or
standards adopted by LOCAL AGENCY to implement such article. The applicable regulations of
the Fair Employment and Housing Commission implementing Gov. Code §12990 (a-f), set forth 2
CCR §§8100-8504, are incorporated into this AGREEMENT by reference and made a part hereof
as if set forth in full.

D. CONSULTANT shall permit access by representatives of the Department of Fair Employment and
Housing and the LOCAL AGENCY upon reasonable notice at any time during the normal business
hours, but in no case less than twenty-four (24) hours’ notice, to such of its books, records,
accounts, and all other sources of information and its facilities as said Department or LOCAL
AGENCY shall require to ascertain compliance with this clause.

E. CONSULTANT and its subconsultants shall give written notice of their obligations under this
clause to labor organizations with which they have a collective bargaining or other Agreement.

F. CONSULTANT shall include the nondiscrimination and compliance provisions of this clause in all
subcontracts to perform work under this AGREEMENT.

G. The CONSULTANT, with regard to the work performed under this AGREEMENT, shall act in
accordance with Title VI of the Civil Rights Act of 1964 (42 U.S.C. §2000d et seq.). Title VI
provides that the recipients of federal assistance will implement and maintain a policy of
nondiscrimination in which no person in the United States shall, on the basis of race, color,
national origin, religion, sex, age, disability, be excluded from participation in, denied the benefits
of or subject to discrimination under any program or activity by the recipients of federal assistance
or their assignees and successors in interest.

H. The CONSULTANT shall comply with regulations relative to non-discrimination in federally-
assisted programs of the U.S. Department of Transportation (49 CFR Part 21 - Effectuation of Title
VI of the Civil Rights Act of 1964). Specifically, the CONSULTANT shall not participate either
directly or indirectly in the discrimination prohibited by 49 CFR §21.5, including employment
practices and the selection and retention of Subconsultants.

ARTICLE XVII DEBARMENT AND SUSPENSION CERTIFICATION

A. The CONSULTANT’s signature affixed herein shall constitute a certification under penalty of
perjury under the laws of the State of California, that the CONSULTANT or any person associated
therewith in the capacity of owner, partner, director, officer or manager:

1. Is not currently under suspension, debarment, voluntary exclusion, or determination of
eligibility by any federal agency;

2. Has not been suspended, debarred, voluntarily excluded, or determined ineligible by any federal
agency within the past three (3) years;
3. Does not have a proposed debarment pending; and

4. Has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past three (3) years.

B. Any exceptions to this certification must be disclosed to LOCAL AGENCY. Exceptions will not necessarily result in denial of recommendation for award, but will be considered in determining responsibility. Disclosures must indicate the party to whom the exceptions apply, the initiating agency, and the dates of agency action.

C. Exceptions to the Federal Government Excluded Parties List System maintained by the U.S. General Services Administration are to be determined by FHWA.

ARTICLE XVIII DISADVANTAGED BUSINESS ENTERPRISES (DBE) PARTICIPATION

A. This AGREEMENT is subject to 49 CFR Part 26 entitled “Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs”. CONSULTANTS who enter into a federally-funded agreement will assist the LOCAL AGENCY in a good faith effort to achieve California's statewide overall DBE goal.

B. The goal for DBE participation for this AGREEMENT is ________%. Participation by DBE CONSULTANT or subconsultants shall be in accordance with information contained in Exhibit 10-01: Consultant Proposal DBE Commitment, or in Exhibit 10-02: Consultant Contract DBE Commitment attached hereto and incorporated as part of the AGREEMENT. If a DBE subconsultant is unable to perform, CONSULTANT must make a good faith effort to replace him/her with another DBE subconsultant, if the goal is not otherwise met.

C. CONSULTANT can meet the DBE participation goal by either documenting commitments to DBEs to meet the AGREEMENT goal, or by documenting adequate good faith efforts to meet the AGREEMENT goal. An adequate good faith effort means that the CONSULTANT must show that it took all necessary and reasonable steps to achieve a DBE goal that, by their scope, intensity, and appropriateness to the objective, could reasonably be expected to meet the DBE goal. If CONSULTANT has not met the DBE goal, complete and submit Exhibit 15-H: DBE Information -- Good Faith Efforts to document efforts to meet the goal. Refer to 49 CFR Part 26 for guidance regarding evaluation of good faith efforts to meet the DBE goal.

D. DBEs and other small businesses, as defined in 49 CFR Part 26 are encouraged to participate in the performance of AGREEMENTs financed in whole or in part with federal funds. The LOCAL AGENCY, CONSULTANT or subconsultant shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The CONSULTANT shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the CONSULTANT to carry out these requirements is a material breach of this AGREEMENT, which may result in the termination of this AGREEMENT or such other remedy as the LOCAL AGENCY deems appropriate, which may include, but is not limited to:

(1) Withholding monthly progress payments;
(2) Assessing sanctions;
(3) Liquidated damages; and/or
(4) Disqualifying the contractor from future bidding as non-responsible

E. A DBE firm may be terminated only with prior written approval from LOCAL AGENCY and only for the reasons specified in 49 CFR §26.53(f). Prior to requesting LOCAL AGENCY consent for the termination, CONSULTANT must meet the procedural requirements specified in 49 CFR §26.53(f). If a DBE subconsultant is unable to perform, CONSULTANT must make a good faith effort to replace him/her with another DBE subconsultant, if the goal is not otherwise met.

F. Consultant shall not be entitled to any payment for such work or material unless it is performed or supplied by the listed DBE or by other forces (including those of Consultant) pursuant to prior written authorization of the LOCAL AGENCY’s Contract Administrator.

G. A DBE is only eligible to be counted toward the AGREEMENT goal if it performs a commercially useful function (CUF) on the AGREEMENT. CUF must be evaluated on an agreement by agreement basis. A DBE performs a Commercially Useful Function (CUF) when it is responsible for execution of the work of the AGREEMENT and is carrying out its responsibilities by actually performing, managing, and supervising the work involved. To perform a CUF, the DBE must also be responsible, with respect to materials and supplies used on the AGREEMENT, for negotiating price, determining quality and quantity, ordering the material and installing (where applicable), and paying for the material itself. To determine whether a DBE is performing a CUF, evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the AGREEMENT is commensurate with the work it is actually performing, and other relevant factors.

H. A DBE does not perform a CUF if its role is limited to that of an extra participant in a transaction, AGREEMENT, or project through which funds are passed in order to obtain the appearance of DBE participation. In determining whether a DBE is such an extra participant, examine similar transactions, particularly those in which DBEs do not participate.

I. If a DBE does not perform or exercise responsibility for at least thirty percent (30%) of the total cost of its AGREEMENT with its own work force, or the DBE subcontracts a greater portion of the work of the AGREEMENT than would be expected on the basis of normal industry practice for the type of work involved, it will be presumed that it is not performing a CUF.

J. CONSULTANT shall maintain records of materials purchased or supplied from all subcontractors entered into with certified DBEs. The records shall show the name and business address of each DBE or vendor and the total dollar amount actually paid each DBE or vendor, regardless of tier. The records shall show the date of payment and the total dollar figure paid to all firms. DBE prime CONSULTANT’s shall also show the date of work performed by their own forces along with the corresponding dollar value of the work.

K. Upon completion of the AGREEMENT, a summary of these records shall be prepared and submitted on the form entitled, Exhibit 17-F: Final Report-Utilization of Disadvantaged Business Enterprise (DBE) First-Tier Subconsultants, certified correct by CONSULTANT or CONSULTANT’s authorized representative and shall be furnished to the Contract Administrator with the final invoice. Failure to provide the summary of DBE payments with the final invoice will result in twenty-five percent (25%) of the dollar value of the invoice being withheld from payment.
until the form is submitted. The amount will be returned to CONSULTANT when a satisfactory “Final Report-Utilization of Disadvantaged Business Enterprises (DBE), First-Tier Subconsultants” is submitted to the Contract Administrator.

L. If a DBE subconsultant is decertified during the life of the AGREEMENT, the decertified subconsultant shall notify CONSULTANT in writing with the date of decertification. If a subconsultant becomes a certified DBE during the life of the AGREEMENT, the subconsultant shall notify CONSULTANT in writing with the date of certification. Any changes should be reported to LOCAL AGENCY’s Contract Administrator within thirty (30) calendar days.

M. Any subcontract entered into as a result of this AGREEMENT shall contain all of the provisions of this section.

ARTICLE XIX INSURANCE

(Choose either Option 1 or Option 2)

(Option 1 - for AGREEMENT with a scope of services that may require the CONSULTANT or subconsultant to work within the operating state or Local Agency Highway Right of Way; where there would be exposure to public traffic or construction operations).

A. Prior to commencement of the work described herein, CONSULTANT shall furnish LOCAL AGENCY a Certificate of Insurance stating that there is general comprehensive liability insurance presently in effect for CONSULTANT with a combined single limit (CSL) of not less than one million dollars ($1,000,000) per occurrence.

B. The Certificate of Insurance will provide:

1. That the insurer will not cancel the insured’s coverage without thirty (30) calendar days prior written notice to LOCAL AGENCY.

2. That LOCAL AGENCY, its officers, agents, employees, and servants are included as additional insureds, but only insofar as the operations under this AGREEMENT are concerned.

3. That LOCAL AGENCY will not be responsible for any premiums or assessments on the policy.

C. CONSULTANT agrees that the bodily injury liability insurance herein provided for, shall be in effect at all times during the term of this AGREEMENT. In the event said insurance coverage expires at any time or times during the term of this AGREEMENT, CONSULTANT agrees to provide at least thirty (30) calendar days prior notice to said expiration date; and a new Certificate of Insurance evidencing insurance coverage as provided for herein, for not less than either the remainder of the term of the AGREEMENT, or for a period of not less than one (1) year. New Certificates of Insurance are subject to the approval of LOCAL AGENCY. In the event CONSULTANT fails to keep in effect at all times insurance coverage as herein provided, LOCAL AGENCY may, in addition to any other remedies it may have, terminate this AGREEMENT upon occurrence of such event.

(Option 2 - for AGREEMENTs with a scope of services that will not require the CONSULTANT or subconsultant to work within the operating state or Local Agency Highway Right of Way where there would be exposure to public traffic or construction CONSULTANT operations).
CONSULTANT is not required to show evidence of general comprehensive liability insurance.

ARTICLE XX FUNDING REQUIREMENTS
A. It is mutually understood between the parties that this AGREEMENT may have been written before ascertaining the availability of funds or appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the AGREEMENT were executed after that determination was made.

B. This AGREEMENT is valid and enforceable only, if sufficient funds are made available to LOCAL AGENCY for the purpose of this AGREEMENT. In addition, this AGREEMENT is subject to any additional restrictions, limitations, conditions, or any statute enacted by the Congress, State Legislature, or LOCAL AGENCY governing board that may affect the provisions, terms, or funding of this AGREEMENT in any manner.

C. It is mutually agreed that if sufficient funds are not appropriated, this AGREEMENT may be amended to reflect any reduction in funds.

D. LOCAL AGENCY has the option to terminate the AGREEMENT pursuant to Article VI Termination, or by mutual agreement to amend the AGREEMENT to reflect any reduction of funds.

ARTICLE XXI CHANGE IN TERMS
A. This AGREEMENT may be amended or modified only by mutual written agreement of the parties.

B. CONSULTANT shall only commence work covered by an amendment after the amendment is executed and notification to proceed has been provided by LOCAL AGENCY’s Contract Administrator.

C. There shall be no change in CONSULTANT’s Project Manager or members of the project team, as listed in the approved Cost Proposal, which is a part of this AGREEMENT without prior written approval by LOCAL AGENCY’s Contract Administrator.

ARTICLE XXII CONTINGENT FEE
CONSULTANT warrants, by execution of this AGREEMENT that no person or selling agency has been employed, or retained, to solicit or secure this AGREEMENT upon an agreement or understanding, for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees, or bona fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business. For breach or violation of this warranty, LOCAL AGENCY has the right to annul this AGREEMENT without liability; pay only for the value of the work actually performed, or in its discretion to deduct from the AGREEMENT price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE XXIII DISPUTES
Prior to either party commencing any legal action under this AGREEMENT, the parties agree to try in good faith, to settle any dispute amicably between them. If a dispute has not been settled after forty-five
(45) days of good-faith negotiations and as may be otherwise provided herein, then either party may commence legal action against the other.

(Choose either Option 1 or Option 2)

(Option 1 - Use paragraphs A through C below for all AGREEMENTs without PS&E submittal)

A. Any dispute, other than audit, concerning a question of fact arising under this AGREEMENT that is not disposed of by agreement shall be decided by a committee consisting of LOCAL AGENCY’s Contract Administrator and (Insert Department Head or Official), who may consider written or verbal information submitted by CONSULTANT.

B. Not later than thirty (30) calendar days after completion of all work under the AGREEMENT, CONSULTANT may request review by LOCAL AGENCY Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

C. Neither the pendency of a dispute, nor its consideration by the committee will excuse CONSULTANT from full and timely performance in accordance with the terms of this AGREEMENT.

(Option 2 - Replace Paragraph B, above, with the following for AGREEMENTs requiring the submission of PS&E)

B. Not later than thirty (30) calendar days after completion of all deliverables necessary to complete the plans, specifications and estimate, CONSULTANT may request review by LOCAL AGENCY Governing Board of unresolved claims or disputes, other than audit. The request for review will be submitted in writing.

ARTICLE XXIV INSPECTION OF WORK

CONSULTANT and any subconsultant shall permit LOCAL AGENCY, the State, and the FHWA if federal participating funds are used in this AGREEMENT; to review and inspect the project activities and files at all reasonable times during the performance period of this AGREEMENT.

ARTICLE XXV SAFETY

A. CONSULTANT shall comply with OSHA regulations applicable to CONSULTANT regarding necessary safety equipment or procedures. CONSULTANT shall comply with safety instructions issued by LOCAL AGENCY Safety Officer and other LOCAL AGENCY representatives. CONSULTANT personnel shall wear hard hats and safety vests at all times while working on the construction project site.

B. Pursuant to the authority contained in Vehicle Code §591, LOCAL AGENCY has determined that such areas are within the limits of the project and are open to public traffic. CONSULTANT shall comply with all of the requirements set forth in Divisions 11, 12, 13, 14, and 15 of the Vehicle Code. CONSULTANT shall take all reasonably necessary precautions for safe operation of its vehicles and the protection of the traveling public from injury and damage from such vehicles.

(Add the following paragraph to all AGREEMENTs, which may require trenching of five feet or deeper)
D. CONSULTANT must have a Division of Occupational Safety and Health (CAL-OSHA) permit(s), as outlined in Labor Code §6500 and §6705, prior to the initiation of any practices, work, method, operation, or process related to the construction or excavation of trenches which are five (5) feet or deeper.

ARTICLE XXVI OWNERSHIP OF DATA

A. It is mutually agreed that all materials prepared by CONSULTANT under this AGREEMENT shall become the property of City, and CONSULTANT shall have no property right therein whatsoever. Immediately upon termination, City shall be entitled to, and CONSULTANT shall deliver to City, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date, whether completed or not, and other such materials as may have been prepared or accumulated to date by CONSULTANT in performing this AGREEMENT which is not CONSULTANT’s privileged information, as defined by law, or CONSULTANT’s personnel information, along with all other property belonging exclusively to City which is in CONSULTANT’s possession. Publication of the information derived from work performed or data obtained in connection with services rendered under this AGREEMENT must be approved in writing by City.

B. Additionally, it is agreed that the Parties intend this to be an AGREEMENT for services and each considers the products and results of the services to be rendered by CONSULTANT hereunder to be work made for hire. CONSULTANT acknowledges and agrees that the work (and all rights therein, including, without limitation, copyright) belongs to and shall be the sole and exclusive property of City without restriction or limitation upon its use or dissemination by City.

C. Nothing herein shall constitute or be construed to be any representation by CONSULTANT that the work product is suitable in any way for any other project except the one detailed in this Contract. Any reuse by City for another project or project location shall be at City’s sole risk.

D. Applicable patent rights provisions regarding rights to inventions shall be included in the contracts as appropriate (48 CFR 27 Subpart 27.3 - Patent Rights under Government Contracts for federal-aid contracts).

E. LOCAL AGENCY may permit copyrighting reports or other agreement products. If copyrights are permitted; the AGREEMENT shall provide that the FHWA shall have the royalty-free nonexclusive and irrevocable right to reproduce, publish, or otherwise use; and to authorize others to use, the work for government purposes.

ARTICLE XXVII CLAIMS FILED BY LOCAL AGENCY’S CONSTRUCTION CONTRACTOR

A. If claims are filed by LOCAL AGENCY’s construction contractor relating to work performed by CONSULTANT’s personnel, and additional information or assistance from CONSULTANT’s personnel is required in order to evaluate or defend against such claims; CONSULTANT agrees to make its personnel available for consultation with LOCAL AGENCY’S construction contract administration and legal staff and for testimony, if necessary, at depositions and at trial or arbitration proceedings.

B. CONSULTANT’s personnel that LOCAL AGENCY considers essential to assist in defending against construction contractor claims will be made available on reasonable notice from LOCAL
AGENCY. Consultation or testimony will be reimbursed at the same rates, including travel costs that are being paid for CONSULTANT’s personnel services under this AGREEMENT.

C. Services of CONSULTANT’s personnel in connection with LOCAL AGENCY’s construction contractor claims will be performed pursuant to a written contract amendment, if necessary, extending the termination date of this AGREEMENT in order to resolve the construction claims.

ARTICLE XXVIII CONFIDENTIALITY OF DATA

A. All financial, statistical, personal, technical, or other data and information relative to LOCAL AGENCY’s operations, which are designated confidential by LOCAL AGENCY and made available to CONSULTANT in order to carry out this AGREEMENT, shall be protected by CONSULTANT from unauthorized use and disclosure.

B. Permission to disclose information on one occasion, or public hearing held by LOCAL AGENCY relating to the AGREEMENT, shall not authorize CONSULTANT to further disclose such information, or disseminate the same on any other occasion.

C. CONSULTANT shall not comment publicly to the press or any other media regarding the AGREEMENT or LOCAL AGENCY’s actions on the same, except to LOCAL AGENCY’s staff, CONSULTANT’s own personnel involved in the performance of this AGREEMENT, at public hearings, or in response to questions from a Legislative committee.

D. CONSULTANT shall not issue any news release or public relations item of any nature, whatsoever, regarding work performed or to be performed under this AGREEMENT without prior review of the contents thereof by LOCAL AGENCY, and receipt of LOCAL AGENCY’S written permission.

(For PS&E contracts add paragraph F, below, to paragraphs A through E, above)

E. All information related to the construction estimate is confidential, and shall not be disclosed by CONSULTANT to any entity, other than LOCAL AGENCY, Caltrans, and/or FHWA. All of the materials prepared or assembled by CONSULTANT pursuant to performance of this Contract are confidential and CONSULTANT agrees that they shall not be made available to any individual or organization without the prior written approval of City or except by court order. If CONSULTANT or any of its officers, employees, or subcontractors does voluntarily provide information in violation of this Contract, City has the right to reimbursement and indemnity from CONSULTANT for any damages caused by CONSULTANT releasing the information, including, but not limited to, City’s attorney’s fees and disbursements, including without limitation experts’ fees and disbursements.

ARTICLE XXIX NATIONAL LABOR RELATIONS BOARD CERTIFICATION

In accordance with Public Contract Code §10296, CONSULTANT hereby states under penalty of perjury that no more than one final unappealable finding of contempt of court by a federal court has been issued against CONSULTANT within the immediately preceding two-year period, because of CONSULTANT’s failure to comply with an order of a federal court that orders CONSULTANT to comply with an order of the National Labor Relations Board.
ARTICLE XXX EVALUATION OF CONSULTANT

CONSULTANT’s performance will be evaluated by LOCAL AGENCY. A copy of the evaluation will be sent to CONSULTANT for comments. The evaluation together with the comments shall be retained as part of the AGREEMENT record.

ARTICLE XXXI RETENTION OF FUNDS

(LOCAL AGENCY to include either B, C, or D below; delete the other two)

B. No retainage will be withheld by LOCAL AGENCY from progress payments due the CONSULTANT. Retainage by the CONSULTANT or subconsultants is prohibited, and no retainage will be held by the CONSULTANT from progress due subconsultants. Any violation of this provision shall subject the violating CONSULTANT or subconsultants to the penalties, sanctions, and other remedies specified in Business and Professions Code §7108.5. This requirement shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by the CONSULTANT or deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE CONSULTANT and subconsultants.

C. No retainage will be held by the LOCAL AGENCY from progress payments due the CONSULTANT. Any retainage held by the CONSULTANT or subconsultants from progress payments due subconsultants shall be promptly paid in full to subconsultants within thirty (30) calendar days after the subconsultant’s work is satisfactorily completed. Federal law (49 CFR §26.29) requires that any delay or postponement of payment over thirty (30) calendar days may take place only for good cause and with the LOCAL AGENCY’s prior written approval. Any violation of this provision shall subject the violating CONSULTANT or subconsultant to the penalties, sanctions and other remedies specified in Business and Professions Code §7108.5. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment by the CONSULTANT, deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE CONSULTANT and subconsultants.

D. The LOCAL AGENCY shall hold retainage from the CONSULTANT and shall make prompt and regular incremental acceptances of portions, as determined by LOCAL AGENCY, of the AGREEMENT work, and pay retainage to CONSULTANT based on these acceptances. The CONSULTANT, or subconsultant, shall return all monies withheld in retention from a subconsultant within thirty (30) calendar days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the AGREEMENT work by the LOCAL AGENCY. Federal law (49 CFR §26.29) requires that any delay or postponement of payment over thirty (30) calendar days may take place only for good cause and with LOCAL AGENCY’s prior written approval. Any violation of this provision shall subject the violating CONSULTANT or subconsultant to the penalties, sanctions and other remedies specified in Business and Professions Code §7108.5. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies, otherwise available to the CONSULTANT or subconsultant in the event of a dispute involving late payment or nonpayment.
by the CONSULTANT, deficient subconsultant performance, or noncompliance by a subconsultant. This provision applies to both DBE and non-DBE CONSULTANT and subconsultants.

ARTICLE XXXII NOTIFICATION

All notices hereunder and communications regarding interpretation of the terms of this AGREEMENT and changes thereto, shall be effected by the mailing thereof by registered or certified mail, return receipt requested, postage prepaid, and addressed as follows:

CONSULTANT:

(CONSULTANT)

(NAME) , Project Manager

(ADDRESS)

LOCAL AGENCY:

(LOCAL AGENCY)

(NAME) , Contract Administrator

(ADDRESS)

ARTICLE XXXIII CONTRACT

The two parties to this AGREEMENT, who are the before named CONSULTANT and the before named LOCAL AGENCY, hereby agree that this AGREEMENT constitutes the entire AGREEMENT which is made and concluded in duplicate between the two parties. Both of these parties for and in consideration of the payments to be made, conditions mentioned, and work to be performed; each agree to diligently perform in accordance with the terms and conditions of this AGREEMENT as evidenced by the signatures below.

ARTICLE XXXIV SIGNATURES

(Name of LOCAL AGENCY) (Name of CONSULTANT)

(Signature) (Signature)

(Name of Signer) (Name of Signer)

Date: Date:
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH SIERRA GEOTECH, OF ROCKLIN, FOR CONSTRUCTION TESTING AND INSPECTION SERVICES FOR THE LOCKEFORD STREET IMPROVEMENT PROJECT

========================================================================

WHEREAS, at the February 12, 2019 City Council meeting, Council authorized the City Manager to award a contract for construction of the Lockeford Street Improvement Project to the lowest responsive bidder, and George Reed, Inc., of Modesto, was awarded the contract in the amount of $2,831,439; and

WHEREAS, the project requires independent special inspections and materials testing to assure the construction is properly performed; and

WHEREAS, City staff solicited proposals for testing and inspection services and received proposals from two qualified firms. These proposals were received and evaluated by a selection committee made up of the Public Works Director, the City Engineer/Deputy Public Works Director, and the Construction Project Manager; and

WHEREAS, Sierra Geotech is the only firm that met the Disadvantaged Business Enterprise (DBE) requirements of the project funding and was selected to perform the required testing and inspection services during construction; and

WHEREAS, staff recommends authorizing the City Manager to execute a Professional Services Agreement with Sierra Geotech, of Rocklin, for construction testing and inspection services for the Lockeford Street Improvement Project, in an amount not to exceed $50,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute a Professional Services Agreement with Sierra Geotech, of Rocklin, for construction testing and inspection services for the Lockeford Street Improvement Project, in an amount not to exceed $50,000.

Dated: July 17, 2019
========================================================================

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIIOLO
City Clerk

2019-____
AGENDA
ITEM C-15

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Waive the Bid Process and Execute Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for White Slough Water Pollution Control Facility Secondary Control Room Roof Replacement Project ($39,584), Utilizing U.S. Communities Contract No. 14-5903

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to waive the bid process and execute Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for White Slough Water Pollution Control Facility Secondary Control Room Roof Replacement Project, in the amount of $39,584, utilizing U.S. Communities Contract No. 14-5903.

BACKGROUND INFORMATION: The secondary control room at White Slough Water Pollution Control Facility houses plant electrical panels and supervisory control and data acquisition communication equipment for wastewater treatment operations. The existing roof has developed various cracks and the deterioration causing rain water leaks into the room and onto the control panels, as shown in Exhibit A.

This project will replace the existing roofing materials with a multi ply membrane system; and also replace the failing metal flashing. The restoration material is manufactured by the Garland/DBS, Inc. The final product will carry a three-year labor warranty and 30-year watertight warranty. Garland/DBS, Inc. will also perform an annual roof inspection for the duration of the 30-year watertight warranty period.

Garland/DBS, Inc. was the successful bidder for U.S. Communities Contract No. 14-5903 for competitively bid roofing services. Using the U.S. Communities line item cost, the bid price of $36,598 is the maximum price an agency would be charged for the restoration services. To compare the U. S. Community price with local roof restoration prices, Garland/DBS, Inc., requested a quote from Waterproofing Associates, Inc., of Lodi, a company that has successfully performed roof restoration services on other City facilities.

For this project, the DBS/Garland, Inc. will subcontract roof restoration services to Waterproofing Associates, Inc., of Lodi. The local price of $35,985 is $613 lower than the U.S. Communities line item costs. A 10-percent project contingency ($3,599) is requested to cover any unforeseen conditions in the field. This brings the total not-to-exceed contract price to $39,584.

By using the U.S. Communities contract, the formal bidding process has already been performed, allowing staff to more efficiently procure labor and materials for specialty type work (such as roofing)

APPROVED: ____________________________________
Stephen Schwabauer, City Manager

K:\WP\PROJECTS\SEWER\WSWPCF\Roofing\Secondary Control Room\CPSA_garland_WS.com 7/11/2019
while maintaining compliance with purchasing requirements. The Professional Services Agreement includes all insurance and bonding requirements included in City construction contracts. Per Lodi Municipal Code Section 3.20.045, State and Local Agency Contracts, the bidding process may be waived when it is advantageous for the City, with appropriate approval by City Manager and City Council, to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with their formally-adopted bidding or negotiation procedures.

Staff recommends authorizing the City Manager to waive the bid process and execute Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for White Slough Water Pollution Control Facility Secondary Control Room Roof Replacement Project, in the amount of $39,584, utilizing U.S. Communities Contract No. 14-5903.

FISCAL IMPACT: Restoring leaky roofs will reduce repair costs for the interior space and equipment damaged by water. This project will not impact the General Fund.

FUNDING AVAILABLE: Fiscal Year 2019/20:

Wastewater Capital (53199000.77020) - $39,584

Andrew Keys
Deputy City Manager/Internal Services Director

Charles E. Swimley, Jr.
Public Works Director

Prepared by Lyman Chang, Deputy Public Works Director/City Engineer
CES/LC/tdb
Attachments

cc: Utility Manager
Wastewater Plant Superintendent
Management Analyst – Areida-Yadav
Garland/DBS, Inc.
Facilities Supervisor
AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1  Parties

THIS AGREEMENT is entered into on __________, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter “CITY”), and Garland/DBS, INC., a Delaware corporation, qualified to do business in California (hereinafter “CONTRACTOR”).

Section 1.2  Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for White Slough Water Pollution Control Facility Secondary Control Room Roof Replacement Project (hereinafter “Project”) as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1  Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2  Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR’s contract performance period. Also, any delays due to weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall
remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR’s capabilities and on the qualifications of CONTRACTOR’s principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY’s sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR’s project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on August 1, 2019 and terminates upon the completion of the Scope of Services or on December 31, 2019, whichever occurs first.
ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Prevailing Wage

The Contractor agrees to conform to the provisions of Chapter 1, Part 7, Division 2 of the Labor Code. The Contractor and any Subcontractor will pay the general prevailing wage rate and other employer payments for health and welfare, pension, vacation, travel time, and subsistence pay, apprenticeship or other training programs. The responsibility for compliance with these Labor Code requirements is on the prime contractor.

Section 3.3 Contractor Registration – Labor Code §1725.5

No contractor or subcontractor may be awarded a contract for public work on a public works project (awarded on or after April 1, 2015) unless registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5.

This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

Section 3.4 Contract Bonds

CONTRACTOR shall furnish two good and sufficient bonds:

1. A faithful performance bond in the amount of one hundred percent (100%) of the contract price; and

2. A labor and materials bond in the amount of one hundred percent (100%) of the contract price.

These bonds will be required at the time the signed contract is returned to the City.

Section 3.5 (AB 626) Public Contract Code Section 9204 – Public Works Project Contract Dispute Resolution Procedure

Section 9204 of the California Public Contract Code (the "Code") provides a claim resolution process for "Public Works Project" contracts, as defined, which is hereby incorporated by this reference, and summarized in the following:

Definitions:
“Claim” means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by the City under a contract for a Public Works Project.

(B) Payment of money or damages arising from work done by, or on behalf of, a contractor pursuant to a contract for a Public Works Project and payment for which is not otherwise expressly provided or to which a claimant is not otherwise entitled.

(C) Payment of an amount that is disputed by the City.

“Public Works Project” means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

Claim Resolution Process:

(1) All Claims must be properly submitted pursuant to the Code and include reasonable documentation supporting the Claim. Upon receipt of a Claim, the City will conduct a reasonable review, and within a period not to exceed 45 days, will provide the claimant a written statement identifying the disputed and undisputed portions of the Claim. The City and contractor may, by mutual agreement, extend the time periods in which to review and respond to a Claim. If the City fails to issue a written statement, paragraph (3) applies.

Any payment due on a portion of the Claim deemed not in dispute by the City will be processed and made within 60 days after the City issues its written statement.

(2) If the claimant disputes the City’s response, or if the City fails to respond to a Claim within the time prescribed in the Code, the claimant may demand in writing, by registered mail or certified mail, return receipt requested, an informal conference to meet and confer for settlement of the issues in dispute, which will be conducted within 30 days of receipt.

If the Claim or any portion thereof remains in dispute after the meet and confer conference, the City will provide the claimant a written statement, within 10 business days, identifying the remaining disputed and undisputed portions of the Claim. Any payment due on an undisputed portion of the Claim will be processed and made within 60 days after the City issues its written statement. Any disputed portion of the Claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, as set forth in the Code, unless mutually waived and agreed, in writing, to proceed directly to a civil action or binding arbitration, as applicable.

(3) A Claim that is not responded to within the time requirements set forth in the Code is deemed rejected in its entirety. A Claim that is denied by reason of such
failure does not constitute an adverse finding with regard to the merits of the Claim or the responsibility or qualifications of the claimant.

(4) Amounts not paid in a timely manner as required by the Code will bear interest at 7 percent per annum.

(5) Subcontractors or lower tier subcontractors that lack legal standing or privity of contract to assert a Claim directly against the City, may request in writing, on their behalf or the behalf of a lower tier subcontractor, that the contractor present a Claim to the City for work performed by the subcontractor or lower tier subcontractor. The request shall be accompanied by reasonable documentation to support the Claim. Within 45 days of receipt of such written request, the contractor shall notify the subcontractor in writing as to whether the contractor presented the Claim to the City and, if the original contractor did not present the Claim, provide the subcontractor with a statement of the reasons for not having done so.

The Claim resolution procedures and timelines set forth in the Code are in addition to any other change order, claim, and dispute resolution procedures and requirements set forth in the City contract documents, to the extent that they are not in conflict with the timeframes and procedures the Code.

Section 3.6  Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR’s compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.7  Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advance and in writing, by CITY.

Section 3.8  Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information
requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.

ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1 Nondiscrimination
In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2 ADA Compliance
In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3 Indemnification and Responsibility for Damage
CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney’s fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations
required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4 No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.

Section 4.5 Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6 Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7 Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8 Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY:  
City of Lodi  
221 West Pine Street  
P.O. Box 3006  
Lodi, CA 95241-1910  
Attn: Lyman Chang

To CONTRACTOR:  
Garland DBS, Inc.  
3800 East 91st Street  
Cleveland, OH 44105  
Attn: Matt Egan

Section 4.9 Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.
Section 4.10 **CONTRACTOR is Not an Employee of CITY**

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 **Termination**

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 **Confidentiality**

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 **Applicable Law, Jurisdiction, Severability, and Attorney’s Fees**

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney’s fees from the party who does not prevail as determined by the San Joaquin County Superior Court.
Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY’s request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR’s regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY’s use of such documents for any purpose other than the purpose for which they were intended.

Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.
Section 4.21 Federal Transit Funding Conditions

If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

JENNIFER M. FERRAILO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDIC, City Attorney

GARLAND DBS, INC., a Delaware corporation

By: ____________________________

By:  ____________________________
Name:  FRANK A. PERCACCIANTE
Title:  Controller

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (if applicable)

Funding Source: __________
(Business Unit & Account No.)

Doc ID: K:\WP\PROJECTS\PSA's\2019\Garland PSA.doc

CA: Rev. 02.2017
ROOFING MATERIAL AND SERVICES PROPOSAL

City of Lodi
White Water Slough Secondary Control Room
12751 North Thornton Road
Lodi, CA 95242

Date Submitted: 06/11/2019
Proposal #: 25-CA-190146
MICPA # 14-5903
California General Contractor License #: 949380

Purchase orders to be made out to: Garland/DBS, Inc.

Please Note: The following budget/estimate is being provided according to the pricing established under the Master Intergovernmental Cooperative Purchasing Agreement (MICPA) with Cobb County, GA and U.S. Communities. This budget/estimate should be viewed as the maximum price an agency will be charged under the agreement. Garland/DBS, Inc. administered a competitive bid process for the project with the hopes of providing a lower market adjusted price whenever possible.

Scope of Work:

1. Remove and dispose of existing roofing down to the concrete deck. (Any ACM removal is not included.)
2. Install one layer of 1" Polyiso insulation. (Adhered)
3. Install ½" Taper Roof Insulation. (Adhered)
4. Install ½" Dens Deck Prime roof board. (Adhered)
5. Install SA Primer at a rate of ½ gallon per square.
6. Install one layer of HPR SA FR Base.
7. Install one layer of Stressply Plus SA FR Cap Sheet.
8. Install White Star at a rate of 2 gallons per square and immediately broadcast White Rock over the top at a rate of 250 lbs. per square.
9. Prep and clean vertical exterior walls on three sides.
10. Reseal caulking joints on the walls.
11. Install two coats of Seal-A-Pore on the walls at a rate of two gallons per 100 sqft in a two-coat application. (1&1)
12. 30 Year Manufacturers Warranty
13. 3 Year Workmanship Warranty
## Line Item Pricing

<table>
<thead>
<tr>
<th>Item #</th>
<th>Item Description</th>
<th>Unit Price</th>
<th>Quantity</th>
<th>Unit</th>
<th>Extended Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.14</td>
<td>Tear-off &amp; Dispose of Debris: SYSTEM TYPE Single-Ply W/ Insulation - Concrete Deck</td>
<td>$ 1.45</td>
<td>500 SF</td>
<td>$</td>
<td>725</td>
</tr>
<tr>
<td>6.25.01</td>
<td>Roof Deck and Insulation Option: CONCRETE ROOF DECK - TORCH APPLIED / SELF-ADHERING APPLICATION - INSULATION OPTION: - Adhere Polyisocyanurate in Insulation Adhesive / Adhere Treated Gypsum Insulation Board with Glass-Mat (e.g. DensDeck / Securock / Equal) with Insulation Adhesive to Provide an Average R-Value of 20 In Compliance FM 1-90 Requirements</td>
<td>$ 4.72</td>
<td>500 SF</td>
<td>$</td>
<td>2,360</td>
</tr>
<tr>
<td>4.53</td>
<td>Insulation Recovery Board &amp; Insulations Options: INSULATION SLOPE OPTION Provide a 1/4&quot; Tapered Polyisocyanurate Insulation System while Maintaining the Average R-Value Including Tapered Crickets; Adhered with Insulation Adhesive</td>
<td>$ 5.43</td>
<td>500 SF</td>
<td>$</td>
<td>2,715</td>
</tr>
<tr>
<td>Item Description</td>
<td>Unit Price</td>
<td>Quantity</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>------------</td>
<td>----------</td>
<td>--------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coat New Roofing With Elastomeric Coating: ROOF SYSTEM TYPE</td>
<td>$4.05</td>
<td>500 SF</td>
<td>$2,025</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Apply an Urethane Coating per Specifications (1 Gallon per Square per Coat - 2 Coats Required) - Smooth or Mineral Surfaced Modified; With Reinforced Seams</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Line Items: Pressure Wash to Clean Vertical Surfaces</td>
<td>$0.47</td>
<td>500 SF</td>
<td>$235</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Miscellaneous Line Items: Caulking: Remove Existing Caulking &amp; Clean and Prime Joint</td>
<td>$1.15</td>
<td>100 LF</td>
<td>$115</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caulking Chart - 1 Component Polyurethane Sealant, Joint Size = 1/2&quot; x 1/2&quot;</td>
<td>$3.97</td>
<td>100 LF</td>
<td>$397</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WALL COATINGS FOR COATING WALL SYSTEMS: ELASTOMERIC COATING FOR CMU WALL SYSTEM - Base Coat of Coating @ 1 Gallon per Sq. / Top Coat @ 1 Gallon per Sq. Applied as Specified</td>
<td>$3.64</td>
<td>500 SF</td>
<td>$1,820</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub Total Prior to Multipliers</td>
<td></td>
<td></td>
<td>$18,975</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prevailing Wage Multiplier - San Joaquin County CA. Roofer = $39.62</td>
<td></td>
<td></td>
<td>$2,648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JOB SITE SPECIFIC MULTIPLIERS APPLIED TO EACH LINE ITEM ON ASSOCIATE JOB: MULTIPLIER - ROOF SIZE IS LESS THAN 1,000 SF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiplier Applied when Roof Size is Abnormally Small Less than 1,000 SF Situation Creates the Fixed Costs: Equipment, Mobilization, Demobilization, Disposal, &amp; Set-Up Labor to be Allocated Across a Very Small Roof Area Causing Fixed Costs to be Large Portion of Job Costs</td>
<td>100.00%</td>
<td>%</td>
<td>$16,975</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub-Totals After Multipliers</td>
<td></td>
<td></td>
<td>$36,598</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Base Bid Total Maximum Price of Line Items under the MICPA: $36,598
Proposal Price Based Upon Market Experience: $35,985

ADD 10% Project Contingency: $3,598.50
Proposal Price Based Upon Market Experience "Not To Exceed": $39,583.50
Potential issues that could arise during the construction phase of the project will be addressed via unit pricing for additional work beyond the scope of the specifications. This could range anywhere from wet insulation, to the replacement of deteriorated wood nailers. Proposal pricing valid for 60 days.

**Clarifications/Exclusions:**
1. Sales and use taxes are excluded. Please issue a Tax Exempt Certificate.
2. Bonds are included.
3. Plumbing, Mechanical, Electrical work is excluded.
4. Temporary protection is excluded.
5. Any work not exclusively described in the above proposal scope of work is excluded.

If you have any questions regarding this proposal, please do not hesitate to call me at my number listed below.

Respectfully Submitted,

**Mike Stewart**

Mike Stewart
Garland/DBS, Inc.
818-272-1233
Insurance Requirements for Contractor  The Contractor shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Contractor and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. **COMPREHENSIVE GENERAL LIABILITY**
   - $1,000,000 Each Occurrence
   - $2,000,000 General Aggregate

2. **COMPREHENSIVE AUTOMOBILE LIABILITY**
   - $1,000,000 Combined Single Limit
   Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version, that provides liability coverage at least as broad as this form.

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Contractor, whichever is greater.

Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

(a) **Additional Named Insured Endorsement**
   Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or a later version, that provides liability coverage at least as broad as this form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds. An additional named insured endorsement is also required for Auto Liability.

(b) **Primary and Non-Contributory Insurance Endorsement**
   Additional insurance coverage under the Contractor’s policy shall be “primary and non-contributory” and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

   **NOTE:** (1) The street address of the CITY OF LODI must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(c) **Waiver of Subrogation**
   Include a waiver of subrogation against the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. A waiver is required for General Liability and Auto Liability.

(d) **Limits of Coverage**
   The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Contractor shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City’s own insurance or self-insurance shall be called upon to protect the City as a named insured.
Insurance Requirements for Contractor (continued)

(e) Completed Operations Endorsement
For three years after completion of project, a certificate of insurance with a Completed Operations Endorsement, CG 20 37 07 04, will be provided to the City of Lodi.

(f) Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company's liability.

(g) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(h) Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapse or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance.

(i) Failure to Comply
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(j) Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance
The Contractor shall take out and maintain during the life of this Agreement, Worker's Compensation Insurance for all of Contractor's employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker's Compensation Insurance for all of the latter's employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker's Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. A waiver of subrogation is required for workers compensation insurance. This policy may not be canceled nor the coverage reduced without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL WAIVING THE BID PROCESS; AUTHORIZING THE CITY MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH GARLAND/DBS, INC., OF CLEVELAND, OHIO, FOR THE WHITE SLOUGH WATER POLLUTION CONTROL FACILITY SECONDARY CONTROL ROOM ROOF REPLACEMENT PROJECT, UTILIZING U.S. COMMUNITIES CONTRACT NO. 14-5903; AUTHORIZING A TEN-PERCENT PROJECT CONTINGENCY; AND FURTHER AUTHORIZING THE CITY MANAGER TO CARRY FORWARD UNSPENT BUDGET AUTHORITY FOR THIS PROJECT UNTIL PROJECT COMPLETION

WHEREAS, the secondary control room at White Slough Water Pollution Control Facility houses plant electrical panels and supervisory control and data acquisition communication equipment for wastewater treatment operations; and

WHEREAS, the existing roof has developed various cracks, and the deterioration allows rain water to leak into the room and onto the control panels; and

WHEREAS, this project will replace the existing roofing materials with a multi-ply membrane system and replace the failing metal flashing; and

WHEREAS, per Lodi Municipal Code Section 3.20.045, State and Local Agency Contracts, the bidding process may be waived when it is advantageous for the City, with appropriate approval by the City Manager and City Council, to use contracts that have been awarded by other California public agencies, provided that their award was in compliance with formally-adopted bidding or negotiation procedures; and

WHEREAS, staff recommends waiving the formal bidding process and authorizing the City Manager to waive the bid process and execute a Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for the White Slough Water Pollution Control Facility Secondary Control Room Roof Replacement Project, in the amount of $35,985, utilizing U.S. Communities Contract No. 14-5903; authorizing a 10-percent project contingency; and authorizing the City Manager to carry forward unspent budget authority for this project, up to $39,584, until project completion.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby waive the formal bidding process; and

BE IT FURTHER RESOLVED that Lodi City Council does hereby authorize the City Manager execute a Professional Services Agreement with Garland/DBS, Inc., of Cleveland, Ohio, for the White Slough Water Pollution Control Facility Secondary Control Room Roof Replacement Project, in the amount of $35,985, utilizing U.S. Communities Contract No. 14-5903; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize a 10-percent project contingency ($3,599) to cover any unforeseen conditions in the field; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the City Manager to carry forward unspent budget authority for this project, up to $39,584, until project completion.
Dated: July 17, 2019

========================================================================

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-____
AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Amendment No. 2 to Professional Service Agreement with Communications Strategies, of Sebastopol, for Project Oversight and Management Support of Phone and Communication Platform Deployment ($45,622.50)

MEETING DATE: July 17, 2019

PREPARED BY: Information Technology Manager

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute amendment No. 1 to professional service agreement with Communications Strategies, of Sebastopol, for project oversight and management support of phone and communication platform deployment in an amount not to exceed $45,662.50.

BACKGROUND INFORMATION: The City currently uses an Avaya phone system for telephone services. The voicemail is a by ESNA, a different system. Both systems have reached end of life and are no longer supported by their manufacturers. The City requires a more advanced telephony system to meet the technical requirements of our customers and City staff. A newer telephony system will offer advanced analytics, modern features for enhanced mobility and improved reliability. The new voicemail system will offer improved functionality to our customers calling into the City, to receive call back, on-hold status and wait times.

In May 23, 2018, the City hired Communication Strategies (Com-Strat), an independent technology consulting company, to evaluate the City’s needs and to provide recommendations for technology that will support their long-term telephone requirements. Com-Strat has prepared a report, in concert with City’s IT staff, to ensure that all assessments are based on the most current and accurate information. The City’s stated objectives for this report are to provide a feasibility study of City’s telephone and voicemail systems, to assist in determining the strategic direction the City might pursue for a system replacement, and provide cost estimates.

Com-Strat has completed Phase 1, 2 and 3 of the proposed technology consulting services. City staff desires to move forward with the project and recommends retaining the services of Com-Strat for additional phases. Com-Strat has intimate knowledge of the City’s network and telephony infrastructure attained from a previous project. This gives Com-Strat a unique advantage to understanding the City’s requirements for a new phone system. The goal of this engagement will be Com-Strat to support the City in providing project oversight and project management support to insure a successful deployment of the City new phone and communications platform. This could include coordination with all vendors and client personnel, develop detailed project plans as well as installation testing and acceptance criteria, develop a business continuity plan, coordinate user training, supervise system installation, develop system testing program, and supervise the project closure.

APPROVED: ____________________________
Stephen Schwabauer, City Manager
FISCAL IMPACT: A functioning phone system is critical to City operations. The contract is managed by the IT Division, which is approximately 50-percent funded by the General Fund. There is no impact from the item that was a planned expenditure in the Fiscal Year 2019/20 budget approved by Council.

FUNDING AVAILABLE: 10095000.72202

Andrew Keys
Deputy City Manager

Benjamin Buecher
Information Technology Manager
AMENDMENT NO. 2

COMMUNICATIONS STRATEGIES
Professional Services Agreement

THIS AMENDMENT NO. 2 to a PROFESSIONAL SERVICES AGREEMENT, is made and entered this _____ day of ______, 2019, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and COM-STRAT, LLC, doing business as COMMUNICATIONS STRATEGIES (hereinafter "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into a Professional Services Agreement on May 23, 2018 and Amendment No. 1 on November 15, 2018 (collectively the "Agreement") attached as Exhibit 1 and Exhibit 2 respectively, and made a part hereof; and

2. WHEREAS, CITY requested to amend said Agreement to add additional technology consulting services, as set forth in Exhibit 3, attached hereto and made a part hereof; and

3. WHEREAS, CONTRACTOR agrees to said amendments.

NOW, THEREFORE, the parties agree to amend the Agreement and fees as set forth in Exhibit 3. CITY agrees to pay CONTRACTOR $45,622.50 to provide project oversight or project management support to insure a successful deployment of the City's new phone and communications platform. CONTRACTOR agrees to assist with negotiations of pricing and terms, review of final contract, development of business continuity plan, supervise system installation, develop system testing program, and supervise cutover coverage. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 2 on the date and year first above written.

CITY OF LODI, a municipal corporation

Com-Strat, LLC, doing business as COMMUNICATIONS STRATEGIES

______________________________
STEPHEN SCHWABAUER
City Manager

NAME:
Title:

Attest:

______________________________
JENNIFER M. FERRAILO
City Clerk

Approved as to Form:

______________________________
JANICE D. MAGDIC
City Attorney
AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on May 23, 2018, by and between the CITY OF LODI, a municipal corporation (hereinafter “CITY”), and ComStrat, LLC, doing business as Communication Strategies (hereinafter “CONTRACTOR”).

Section 1.2 Purpose

CITY selected the CONTRACTOR to provide the services required in accordance with attached Scope of Services, Exhibit A, attached and incorporated by this reference.

CITY wishes to enter into an agreement with CONTRACTOR for evaluating the future needs of the City's communication strategy (hereinafter "Project") as set forth in the Scope of Services attached here as Exhibit A. CONTRACTOR acknowledges that it is qualified to provide such services to CITY.

ARTICLE 2
SCOPE OF SERVICES

Section 2.1 Scope of Services

CONTRACTOR, for the benefit and at the direction of CITY, shall perform the Scope of Services as set forth in Exhibit A.

Section 2.2 Time For Commencement and Completion of Work

CONTRACTOR shall commence work pursuant to this Agreement, upon receipt of a written notice to proceed from CITY or on the date set forth in Section 2.6, whichever occurs first, and shall perform all services diligently and complete work under this Agreement based on a mutually agreed upon timeline or as otherwise designated in the Scope of Services.

CONTRACTOR shall submit to CITY such reports, diagrams, drawings and other work products as may be designated in the Scope of Services.

CONTRACTOR shall not be responsible for delays caused by the failure of CITY staff to provide required data or review documents within the appropriate time frames. The review time by CITY and any other agencies involved in the project shall not be counted against CONTRACTOR’s contract performance period. Also, any delays due to
weather, vandalism, acts of God, etc., shall not be counted. CONTRACTOR shall remain in contact with reviewing agencies and make all efforts to review and return all comments.

Section 2.3 Meetings

CONTRACTOR shall attend meetings as may be set forth in the Scope of Services.

Section 2.4 Staffing

CONTRACTOR acknowledges that CITY has relied on CONTRACTOR's capabilities and on the qualifications of CONTRACTOR's principals and staff as identified in its proposal to CITY. The Scope of Services shall be performed by CONTRACTOR, unless agreed to otherwise by CITY in writing. CITY shall be notified by CONTRACTOR of any change of Project Manager and CITY is granted the right of approval of all original, additional and replacement personnel at CITY's sole discretion and shall be notified by CONTRACTOR of any changes of CONTRACTOR's project staff prior to any change.

CONTRACTOR represents it is prepared to and can perform all services within the Scope of Services (Exhibit A) and is prepared to and can perform all services specified therein. CONTRACTOR represents that it has, or will have at the time this Agreement is executed, all licenses, permits, qualifications, insurance and approvals of whatsoever nature are legally required for CONTRACTOR to practice its profession, and that CONTRACTOR shall, at its own cost and expense, keep in effect during the life of this Agreement all such licenses, permits, qualifications, insurance and approvals, and shall indemnify, defend and hold harmless CITY against any costs associated with such licenses, permits, qualifications, insurance and approvals which may be imposed against CITY under this Agreement.

Section 2.5 Subcontracts

Unless prior written approval of CITY is obtained, CONTRACTOR shall not enter into any subcontract with any other party for purposes of providing any work or services covered by this Agreement.

Section 2.6 Term

The term of this Agreement commences on May 8th, 2018 and terminates upon the completion of the Scope of Services or on May 8th, 2019, whichever occurs first.
ARTICLE 3
COMPENSATION

Section 3.1 Compensation

CONTRACTOR's compensation for all work under this Agreement shall conform to the provisions of the Fee Proposal, attached hereto as Exhibit B and incorporated by this reference.

CONTRACTOR shall not undertake any work beyond the scope of this Agreement unless such additional work is approved in advance and in writing by CITY.

Section 3.2 Method of Payment

CONTRACTOR shall submit invoices for completed work on a monthly basis, or as otherwise agreed, providing, without limitation, details as to amount of hours, individual performing said work, hourly rate, and indicating to what aspect of the Scope of Services said work is attributable. CONTRACTOR's compensation for all work under this Agreement shall not exceed the amount of the Fee Proposal.

Section 3.3 Costs

The Fee Proposal shall include all reimbursable costs required for the performance of the Scope of Services. Payment of additional reimbursable costs considered to be over and above those inherent in the original Scope of Services shall be approved in advance and in writing, by CITY.

Section 3.4 Auditing

CITY reserves the right to periodically audit all charges made by CONTRACTOR to CITY for services under this Agreement. Upon request, CONTRACTOR agrees to furnish CITY, or a designated representative, with necessary information and assistance needed to conduct such an audit.

CONTRACTOR agrees that CITY or its delegate will have the right to review, obtain and copy all records pertaining to performance of this Agreement. CONTRACTOR agrees to provide CITY or its delegate with any relevant information requested and shall permit CITY or its delegate access to its premises, upon reasonable notice, during normal business hours for the purpose of interviewing employees and inspecting and copying such books, records, accounts, and other material that may be relevant to a matter under investigation for the purpose of determining compliance with this requirement. CONTRACTOR further agrees to maintain such records for a period of three (3) years after final payment under this Agreement.
ARTICLE 4
MISCELLANEOUS PROVISIONS

Section 4.1  Nondiscrimination

In performing services under this Agreement, CONTRACTOR shall not discriminate in the employment of its employees or in the engagement of any sub CONTRACTOR on the basis of race, color, religion, sex, sexual orientation, marital status, national origin, ancestry, age, or any other criteria prohibited by law.

Section 4.2  ADA Compliance

In performing services under this Agreement, CONTRACTOR shall comply with the Americans with Disabilities Act (ADA) of 1990, and all amendments thereto, as well as all applicable regulations and guidelines issued pursuant to the ADA.

Section 4.3  Indemnification and Responsibility for Damage

CONTRACTOR to the fullest extent permitted by law, shall indemnify and hold harmless CITY, its elected and appointed officials, directors, officers, employees and volunteers from and against any claims, damages, losses, and expenses (including reasonable attorney's fees and costs), arising out of performance of the services to be performed under this Agreement, provided that any such claim, damage, loss, or expense is caused by the negligent acts, errors or omissions of CONTRACTOR, any subcontractor employed directly by CONTRACTOR, anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable, except those injuries or damages arising out of the active negligence, sole negligence, or sole willful misconduct of the City of Lodi, its elected and appointed officials, directors, officers, employees and volunteers. CITY may, at its election, conduct the defense or participate in the defense of any claim related in any way to this indemnification. If CITY chooses at its own election to conduct its own defense, participate in its own defense, or obtain independent legal counsel in defense of any claim related to this indemnification, CONTRACTOR shall pay all of the costs related thereto, including without limitation reasonable attorney fees and costs. The defense and indemnification obligations required by this Agreement are undertaken in addition to, and shall not in any way be limited by the insurance obligations set forth herein.

Section 4.4  No Personal Liability

Neither the City Council, nor any other officer or authorized assistant or agent or City employee shall be personally responsible for any liability arising under this Agreement.
Section 4.5  Responsibility of CITY

CITY shall not be held responsible for the care or protection of any material or parts of the work described in the Scope of Services prior to final acceptance by CITY, except as expressly provided herein.

Section 4.6  Insurance Requirements for CONTRACTOR

CONTRACTOR shall take out and maintain during the life of this Agreement, insurance coverage as set forth in Exhibit C attached hereto and incorporated by this reference.

Section 4.7  Successors and Assigns

CITY and CONTRACTOR each bind themselves, their partners, successors, assigns, and legal representatives to this Agreement without the written consent of the others. CONTRACTOR shall not assign or transfer any interest in this Agreement without the prior written consent of CITY. Consent to any such transfer shall be at the sole discretion of CITY.

Section 4.8  Notices

Any notice required to be given by the terms of this Agreement shall be in writing signed by an authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties as follows:

To CITY: City of Lodi  
221 West Pine Street  
P.O. Box 3006  
Lodi, CA 95241-1910  
Attn: Benjamin Buecher

To CONTRACTOR: Communication Strategies  
1176 Starr Avenue  
St. Helena, CA  
94574

Section 4.9  Cooperation of CITY

CITY shall cooperate fully and in a timely manner in providing relevant information it has at its disposal relevant to the Scope of Services.

Section 4.10  CONTRACTOR is Not an Employee of CITY

CONTRACTOR agrees that in undertaking the duties to be performed under this Agreement, it shall act as an independent contractor for and on behalf of CITY and not an employee of CITY. CITY shall not direct the work and means for accomplishment of
the services and work to be performed hereunder. CITY, however, retains the right to require that work performed by CONTRACTOR meet specific standards without regard to the manner and means of accomplishment thereof.

Section 4.11 Termination

CITY may terminate this Agreement, with or without cause, by giving CONTRACTOR at least ten (10) days written notice. Where phases are anticipated within the Scope of Services, at which an intermediate decision is required concerning whether to proceed further, CITY may terminate at the conclusion of any such phase. Upon termination, CONTRACTOR shall be entitled to payment as set forth in the attached Exhibit B to the extent that the work has been performed. Upon termination, CONTRACTOR shall immediately suspend all work on the Project and deliver any documents or work in progress to CITY. However, CITY shall assume no liability for costs, expenses or lost profits resulting from services not completed or for contracts entered into by CONTRACTOR with third parties in reliance upon this Agreement.

Section 4.12 Confidentiality

CONTRACTOR agrees to maintain confidentiality of all work and work products produced under this Agreement, except to the extent otherwise required by law or permitted in writing by CITY. CITY agrees to maintain confidentiality of any documents owned by CONTRACTOR and clearly marked by CONTRACTOR as "Confidential" or "Proprietary", except to the extent otherwise required by law or permitted in writing by CONTRACTOR. CONTRACTOR acknowledges that CITY is subject to the California Public Records Act.

Section 4.13 Applicable Law, Jurisdiction, Severability, and Attorney’s Fees

This Agreement shall be governed by the laws of the State of California. Jurisdiction of litigation arising from this Agreement shall be venued with the San Joaquin County Superior Court. If any part of this Agreement is found to conflict with applicable laws, such part shall be inoperative, null, and void insofar as it is in conflict with said laws, but the remainder of this Agreement shall be in force and effect. In the event any dispute between the parties arises under or regarding this Agreement, the prevailing party in any litigation of the dispute shall be entitled to reasonable attorney’s fees from the party who does not prevail as determined by the San Joaquin County Superior Court.
Section 4.14 City Business License Requirement

CONTRACTOR acknowledges that Lodi Municipal Code Section 3.01.020 requires CONTRACTOR to have a city business license and CONTRACTOR agrees to secure such license and pay the appropriate fees prior to performing any work hereunder.

Section 4.15 Captions

The captions of the sections and subsections of this Agreement are for convenience only and shall not be deemed to be relevant in resolving any question or interpretation or intent hereunder.

Section 4.16 Integration and Modification

This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This Agreement may not be modified or altered except in writing, signed by both parties.

Section 4.17 Contract Terms Prevail

All exhibits and this Agreement are intended to be construed as a single document. Should any inconsistency occur between the specific terms of this Agreement and the attached exhibits, the terms of this Agreement shall prevail.

Section 4.18 Severability

The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision of this Agreement.

Section 4.19 Ownership of Documents

All documents, photographs, reports, analyses, audits, computer media, or other material documents or data, and working papers, whether or not in final form, which have been obtained or prepared under this Agreement, shall be deemed the property of CITY. Upon CITY's request, CONTRACTOR shall allow CITY to inspect all such documents during CONTRACTOR's regular business hours. Upon termination or completion of services under this Agreement, all information collected, work product and documents shall be delivered by CONTRACTOR to CITY within ten (10) calendar days.

CITY agrees to indemnify, defend and hold CONTRACTOR harmless from any liability resulting from CITY's use of such documents for any purpose other than the purpose for which they were intended.
Section 4.20 Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

Section 4.21 Federal Transit Funding Conditions

☐ If the box at left is checked, the Federal Transit Funding conditions attached as Exhibit D apply to this Agreement. In the event of a conflict between the terms of this Agreement or any of its other exhibits, and the Federal Transit Funding Conditions, the Federal Transit Funding Conditions will control.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

CITY OF LODI, a municipal corporation

JENNIFER M. FERRAILO
City Clerk

STEPHEN SCHWABAUER
City Manager

COM STRAT, LLC, dba
Communication Strategies

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

By

By: Charles V. Vondra
Name: Charles V. Vondra
Title: Managing Member

Attachments:
Exhibit A – Scope of Services
Exhibit B – Fee Proposal
Exhibit C – Insurance Requirements
Exhibit D – Federal Transit Funding Conditions (If applicable)

Funding Source: _______.
(Business Unit & Account No.)

Doc ID:

CA:Rev:01.2015
ITEMIZED SCOPE OF WORK

<table>
<thead>
<tr>
<th>Phase</th>
<th>Strategic Planning and Budget Tasks</th>
<th>Quantity</th>
<th>Hours</th>
<th>Net Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.01</td>
<td>Kickoff - review project objectives and budget, team resources, project plan and schedule.</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1.02</td>
<td>Create Discovery workbook, and work with client on obtaining site details, counts, capacities, compatibility, Infrastructure</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>1.03</td>
<td>Workshop with IT team to develop understanding of existing and envisioned IT infrastructure including LAN/WAN</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1.04</td>
<td>Gather Telco Invoices from client, inventory services used, look for cost savings, provide recommendations for new configuration</td>
<td>Optional</td>
<td>2</td>
<td>TBD</td>
</tr>
<tr>
<td>1.05</td>
<td>Departmental Discovery Meetings - Initial</td>
<td>Optional</td>
<td>0.5</td>
<td>TBD</td>
</tr>
<tr>
<td>1.06</td>
<td>Workshop with ACD Contact Center managers to review and validate requirements</td>
<td>Optional</td>
<td>2</td>
<td>TBD</td>
</tr>
<tr>
<td>1.07</td>
<td>Identify VoIP readiness issues - training, staffing, PoE, QoS, VLAN, UPS</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1.08</td>
<td>Develop, research and validate multiple design scenarios (premise, hosted, upgrade of existing, hybrid solutions)</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1.09</td>
<td>Develop Total Cost of Ownership analysis using 5 year TCO for each design model</td>
<td>3</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>1.10</td>
<td>Develop technical and functional GAP analysis, and risk analysis and provide recommendations based upon analysis</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>1.11</td>
<td>Prepare strategic roadmap report - Pro/Con, GAP recommendation, Total Cost of Ownership, design narrative</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>1.12</td>
<td>Finalize strategic report based on Client feedback and create summary presentation</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1.13</td>
<td>Participate in weekly planning meetings (per week)</td>
<td>2</td>
<td>0.5</td>
<td>1</td>
</tr>
<tr>
<td>1.14</td>
<td>Miscellaneous emails, PM and follow up - weekly</td>
<td>Optional</td>
<td>0.5</td>
<td>TBD</td>
</tr>
<tr>
<td></td>
<td><strong>Phase 1 Total</strong></td>
<td></td>
<td></td>
<td><strong>27</strong></td>
</tr>
</tbody>
</table>

PROJECT TIME LINE

Phase 1: Strategic Planning and Budget Report | 3 - 4 weeks

Timeline above represents typical intervals based on normal client urgency and availability. Timeline can be shortened or expanded upon request.
## PROJECT FEES

<table>
<thead>
<tr>
<th>Phase</th>
<th>Scope of Work</th>
<th>Net Hours</th>
<th>Travel Time</th>
<th>Travel $</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>Strategic Planning and Budget Report</td>
<td>27</td>
<td>0</td>
<td>0</td>
<td>$4,995.00</td>
</tr>
<tr>
<td>Phase 2</td>
<td>Requirements Documentation and RFP</td>
<td>TBD</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>Phase 3</td>
<td>Vendor Evaluation and Selection</td>
<td>TBD</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>Phase 4</td>
<td>Implementation Support</td>
<td>TBD</td>
<td>0</td>
<td>0</td>
<td>TBD(^1)</td>
</tr>
<tr>
<td>Phase 5</td>
<td>Consulting Support Plan(^2)</td>
<td>TBD</td>
<td></td>
<td></td>
<td>TBD(^3)</td>
</tr>
<tr>
<td>Travel</td>
<td>Local Travel and Normal Expenses</td>
<td></td>
<td>Local Travel</td>
<td></td>
<td>Included</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td></td>
<td>27</td>
<td>0</td>
<td>0</td>
<td>$4,995.00</td>
</tr>
</tbody>
</table>
Agreement for Technology Consulting

This agreement is between Communication Strategies (Com-Strat, LLC) and the City of Lodi for the purpose of technology consulting services.

SCOPE OF WORK:

Phase 1 as described above

FEES:

27 Hours at $185.00 per hour for a total of $4,995.00

TERMS:

Communication Strategies requires a 30% deposit to initiate the project.

Communication Strategies will submit invoices monthly for work performed and receipt of payment is net 30 days.

All local travel and normal expenses are included in our hourly rate.

The hours quoted are not to exceed figures, and are expected (but not guaranteed) to fulfill the Scope of Work proposed.

ACCEPTANCE

The City of Lodi
221 W. Pine Street
Lodi, State, 95240

Com-Strat, LLC
1176 Starr Ave.
St. Helena, CA 94574

Name: ________________________  Name: ________________________

Title: ________________________  Title: ________________________

Date: ________________________  Date: ________________________
EXHIBIT C

Insurance Requirements for Contractor: The Contractor shall take out and maintain during the life of this Agreement, insurance coverage as listed below. These insurance policies shall protect Contractor and any subcontractor performing work covered by this Agreement from claims for damages for personal injury, including accidental death, as well as from claims for property damages, which may arise from Contractor's operations under this Agreement, whether such operations be by Contractor, or by any subcontractor, or by anyone directly or indirectly employed by either of them, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY
   $1,000,000 Each Occurrence
   $2,000,000 General Aggregate

2. COMPREHENSIVE AUTOMOBILE LIABILITY
   $1,000,000 Combined Single Limit
   Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version, that provides liability coverage at least as broad as this form.

5. ERRORS AND OMISSIONS / TECHNOLOGY
   $1,000,000 Per Claim
   $2,000,000 Annual Aggregate
   Covering all acts, errors, omissions, negligence, network security and privacy risks, including but not limited to unauthorized access, failure of security, breach of privacy policies, wrongful disclosure, collection, or other negligence in the handling of confidential information, privacy policies, and including coverage for related regulatory defense and penalties; data breach expenses, and payable whether incurred by City of Lodi or Contractor, including but not limited to consumer notification, whether or not required by law, computer forensic investigations, public relations and crisis management firm fees, credit file or identity monitoring or remediation services in the performance of services for, or on behalf of, City of Lodi. Such insurance shall be maintained in force at all times during the term of the agreement and provide an Extended Reporting Period (ERP) for a period of one year thereafter, for services completed during the term of the agreement.

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City's Risk Manager for approval and shall not reduce the limits of liability set forth hereinabove. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Contractor, whichever is greater.

Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

A copy of the certificate(s) of insurance with the following endorsements shall be furnished to the City:

(a) Additional Named Insured Endorsement
   Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or a later version, that provides liability coverage at least as broad as this form) such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers as additional named insureds. An additional named insured endorsement is also required for Auto Liability.

(b) Primary and Non-Contributory Insurance Endorsement
   Additional insurance coverage under the Contractor's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.
Insurance Requirements for Contractor (continued)

NOTE: (1) The street address of the CITY OF LODI must be shown along with (a) and (b) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(c) Waiver of Subrogation
Include a waiver of subrogation against the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. A waiver is required for General Liability and Auto Liability.

(d) Limits of Coverage
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Contractor shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City’s own insurance or self-insurance shall be called upon to protect the City as a named insured.

(e) Severability of Interest Clause
The term “insured” is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company’s liability.

(f) Notice of Cancellation or Change in Coverage Endorsement
This policy may not be cancelled or the coverage reduced by the company without 30 days’ prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(g) Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor’s insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance.

(h) Failure to Comply
If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate than in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City’s notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of Insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(ii) Qualified Insurer(s)
All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A- VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

Workers Compensation Insurance
The Contractor shall take out and maintain during the life of this Agreement, Worker’s Compensation Insurance for all of Contractor’s employees employed at the site of the project and, if any work is sublet, Contractor shall require the subcontractor similarly to provide Worker’s Compensation Insurance for all of the latter’s employees unless such employees are covered by the protection afforded by the Contractor. In case any class of employees engaged in hazardous work under this Agreement at the site of the project is not protected under the Worker’s Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. A waiver of subrogation is required for workers compensation insurance. This policy may not be canceled nor the coverage reduced without 30 days’ prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

NOTE: The City reserves the right to obtain a full certified copy of any insurance policy or endorsements required. Failure to exercise this right shall not constitute a waiver of the City’s right to exercise after the effective date.
<table>
<thead>
<tr>
<th>Info</th>
<th>Contract Number</th>
<th>Project Number</th>
<th>Project Name</th>
<th>Department Name</th>
<th>Project Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>☑</td>
<td></td>
<td></td>
<td>Telephony Consulting</td>
<td>Lodi Internal Services</td>
<td>Not Approved</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>General Liability</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Award</strong></td>
<td>04/27/2018 — 04/27/2019</td>
<td>Policy: 5756BAR-I8450</td>
<td>Insurer: Sentinal Insurance Company Ltd.</td>
<td>Each Occurrence: $2,000,000</td>
<td>Approved</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Fire Damage (any one Fire): $1,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Med exp (any one person): $100,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Personal/Loc Injury: $2,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>General (Aggregate): $4,000,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Products-comploy Agg: $</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Excess</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Award</strong></td>
<td>04/27/2018 — 04/27/2019</td>
<td>Policy: 5756BAR-I8450</td>
<td>Insurer: Sentinal Insurance Company Ltd.</td>
<td>Limit: $3,000,000</td>
<td>Approved</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cyber professional liability</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Award</strong></td>
<td>04/14/2018 — 04/14/2019</td>
<td>Policy: 6953038585</td>
<td>Insurer: Liberty of London</td>
<td>Limit: $1,000,000</td>
<td>Approved</td>
</tr>
</tbody>
</table>

**Requested Documents**

**Pending**

**Requirements Notes:**
AMENDMENT NO. 1

COMMUNICATIONS STRATEGIES
Professional Services Agreement

THIS AMENDMENT NO. 1 TO AGREEMENT, is made and entered this 15th day of November, 2018, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and COMMUNICATIONS STRATEGIES. (hereinafter "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into a Professional Services Agreement ("Agreement") on May 13, 2018, as set forth in Exhibit 1 and attached hereto;

2. WHEREAS, CITY requested to amend said Agreement as set forth in Exhibit 2; and

3. WHEREAS, CONTRACTOR agrees to said amendments.

NOW, THEREFORE, the parties agree to amend the Agreement and fees as set forth in Exhibit 2. CITY agrees to pay CONTRACTOR $24,235 for development of an RFP, review of responses received, participation in system demonstration and the final selection of a Vendor for the VoIP replacement system project. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Amendment No. 1 on the date and year first above written.

CITY OF LODI, a municipal corporation

COMMUNICATIONS STRATEGIES

[Signatures]

STEPHEN SCHWABAUBER
City Manager

NAME: Charles M. Vande
Title: Managing Partner

Attest:

[Signature]

JENNIFER M. FERRAILO
City Clerk

Approved as to Form:

[Signature]

JOHN P. FUKASAWA
Deputy City Attorney
Addendum - Technology Consulting Services

For

Lodi California

The City of Lodi

Presented to:

Benjamin Buecher
Informat on Technology Manager

By

Chuck Vondra
Sr. Consultant, Managing Principal
(707) 963-5418
Chuck@com-strat.com

Lloyd Halvorsen
Sr. Consultant, Project Manager
720 408 4944
loydh@com-strat.com
ITEMIZED SCOPE OF WORK

Communication Strategies has completed Phases 1 - 3 of the proposed technology consulting services. The City of Lodi has decided to move forward with the project and wishes to retain the services of Com-Strat for the following additional phases.

The goal of this engagement will be to support the City of Lodi the chosen Vendor of the VoIP/Cloud replacement system in the successful implementation of that solution. Communications Strategies will function as your independent Subject Matter Expert to ensure that the City of Lodi’s best interests are met in the installation and that the project proceeds along industry accepted best practices. Communication Strategies has been involved in hundreds of Implementations from various Vendors and Manufacturers over the years and will add that experience to your team.

To the degree that any of the Project Tasks below can be completed by the City of Lodi or the chosen Vendor it will be deleted from our Scope of Work as the project proceeds. We will invoice only for actual hours worked.

<table>
<thead>
<tr>
<th>Phase 4</th>
<th>Implementation Support Tasks</th>
<th>Quantity</th>
<th>Hours</th>
<th>Net Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.01</td>
<td>Evaluate contract, Terms and Conditions, and Scope of Work for industry best practice and project requirements</td>
<td>1</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>4.02</td>
<td>Create PoC test/Success plan</td>
<td>1</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>4.03</td>
<td>Coordinate and Execute Proof of Concept</td>
<td>1</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>4.04</td>
<td>Manage Customer Legal Approval and Purchasing Process - if required</td>
<td>1</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>4.05</td>
<td>Vendor kickoff meeting - deployment plan, installation schedule</td>
<td>1</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>4.06</td>
<td>Prepare formal project plan with all vendor and Client resources accounted for, establish dependencies, update &amp; manage</td>
<td>Vendor to manage</td>
<td>12</td>
<td>TBD</td>
</tr>
<tr>
<td>4.07</td>
<td>Develop business continuity plan</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4.08</td>
<td>Telco design, order and follow up on carrier services</td>
<td>1</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>4.09</td>
<td>Complex/Difficult Telco ordering process follow up</td>
<td>1</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>4.10</td>
<td>VoIP Readiness remediation PW - cabling, VLANS, power, LAN, WAN, etc.</td>
<td>Option</td>
<td>4</td>
<td>TBD</td>
</tr>
<tr>
<td>4.11</td>
<td>LAN/QoS Design Workshops</td>
<td>1</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>4.12</td>
<td>Telephony Design Workshops (Call coverage, template design, features, class of service, restrictions, dial plan)</td>
<td>6</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>4.13</td>
<td>ACD Design Workshop and follow up (call flows, reporting requirements, agent and supervisor functionality)</td>
<td>3</td>
<td>4</td>
<td>12</td>
</tr>
<tr>
<td>4.14</td>
<td>Workshops and PM for complex Automated Attendants</td>
<td>1</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>4.15</td>
<td>Workshop to design Advanced Unified Communications (Instant Messaging, Presence, Collaboration, etc.)</td>
<td>2</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>4.16</td>
<td>Complete cut sheets with user and phone details</td>
<td>Option</td>
<td>24</td>
<td>TBD</td>
</tr>
<tr>
<td>Task Description</td>
<td>Phase 4</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>---------</td>
<td>--------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.17 Review final call flow documentation, and cut sheets prior to database freeze</td>
<td>2</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.18 Create and develop User Acceptance Test (UAT) plan (VoIP, failover)</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.19 Assist in training format, scheduling, reviewing training materials</td>
<td>3</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.20 Communication plan to end user community to improve project acceptance, and 2 communications (email, company meeting)</td>
<td>1</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.21 Review, remediate Vendor executed VoIP QoS readiness assessment</td>
<td>2</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.22 Participate in UAT and failover testing according to UAT test plan and minor remediation as required</td>
<td>2</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.23 Plan cut coverage trouble ticket: response and escalation</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.24 System cutover</td>
<td>1</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.25 System cutover coverage</td>
<td>2</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.26 Manage post install punch list and remediation</td>
<td>Vendor to manage</td>
<td>TBD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.27 Assist in liquidation of existing hardware</td>
<td>Customer to Manage</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.28 Project close out - manage Vendor's system acceptance process and project close-out, review as-built documentation, and final exception lists. Lessons learned meeting.</td>
<td>2</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.29 Participate in weekly planning meetings (per week)</td>
<td>16</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.30 Miscellaneous emails, PM and follow up - weekly</td>
<td>16</td>
<td>32</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.31 Prepare weekly meeting notes</td>
<td>16</td>
<td>16</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4.32 Travel Time (1/2 rate)</td>
<td>2</td>
<td>8</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Phase 4 Total**: 238.5
Phase 4 – Project Oversight/Project Management

Once the ultimate solution has been identified, Communication Strategies is available to provide project oversight or project management support to insure a successful deployment. This could include coordination with all vendors and client personnel. We are available to conduct weekly status meetings and prepare detailed meeting notes to be distributed to the project team and client management. We can supervise all database collection and system programming. Our project leaders are available to develop detailed project plans as well as installation testing and acceptance criteria. Communication Strategies has managed hundreds of similar projects over the years and possesses the experience, processes and depth of staff to ensure the project’s success.

Communication Strategies will assign one Project Manager (PM), one Project Director and one Principal In Charge (PIC). The PM will be responsible for day to day activities and all client deliverables. The PIC’s role will be to manage SOW change issues, escalation issues and to serve as a resource and backup to the PM.

The Project Management phase could include the following:

- Negotiate pricing and terms with selected vendor for initial and subsequent pricing issues (add-ons, maintenance, future site locations).
- Review final contract documentation
- Place all carrier or network orders for new services
- Manage the collection of all system database issues
- Provide system environmental requirements to appropriate parties
- Develop a business continuity plan
- Conduct periodic vendor status meetings (weekly as a minimum)
- Coordinate user training
- Supervise system installation
- Develop system testing program
- Supervise cutover coverage
- Prepare and follow up on vendor punch list
PROJECT TIMELINE

<table>
<thead>
<tr>
<th>Phase</th>
<th>Description</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic Planning and Budget Report</td>
<td>Complete</td>
</tr>
<tr>
<td>2</td>
<td>Requirements Documentation and RFP</td>
<td>Complete</td>
</tr>
<tr>
<td>3</td>
<td>Vendors response time to RFP</td>
<td>Complete</td>
</tr>
<tr>
<td>4</td>
<td>Phase 3: Vendor Evaluation and Selection</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Phase 4: Installation Project Management</td>
<td>16 weeks</td>
</tr>
</tbody>
</table>

Timeline above represents typical intervals based on normal client urgency and availability. Timeline can be shortened or expanded upon request.

PROJECT FEES

<table>
<thead>
<tr>
<th>Phase</th>
<th>Steps of Work</th>
<th>Net Hours</th>
<th>Travel Time</th>
<th>Travel $</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Strategic Planning and Budget Report</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>2</td>
<td>Requirements Documentation and RFP</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>3</td>
<td>Vendor Evaluation and Selection</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0.00</td>
</tr>
<tr>
<td>4</td>
<td>Implementation Support</td>
<td>238.5</td>
<td>0</td>
<td>750</td>
<td>$44,122.50</td>
</tr>
<tr>
<td>5</td>
<td>Consulting Support Plan(^1)</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD(^1)</td>
<td></td>
</tr>
<tr>
<td>Travel</td>
<td>Travel and Expenses</td>
<td></td>
<td></td>
<td>0</td>
<td>$1,500.00</td>
</tr>
<tr>
<td></td>
<td>Local Travel</td>
<td></td>
<td></td>
<td>750</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td>238.5</td>
<td>0</td>
<td>1500</td>
<td>$45,622.50</td>
</tr>
</tbody>
</table>

\(^1\) Project Management is an order of magnitude estimate provided before full requirements gathering. It may be reduced depending on the final project specifications, client resource availability, and which vendor is chosen to implement the solution. Phase 4 firm quote will be provided in the RFP evaluation recommendation report, when final approval for the purchase and installation of the solution is requested.

\(^2\) Consulting Support Plan is available as an option at the end of the project.
Addendum 2 for Technology Consulting Services

This agreement is between Communication Strategies (Com-Strat, LLC) and The City of Lodi for the purpose of technology consulting services.

SCOPE OF WORK:

Phase 4 as described above

FEES:

238.50 Hours at $185.00 per hour for a total of $44,122.50
Travel $ 1,500.00
Total $45,622.50

TERMS:

Communications Strategies will invoice monthly for actual work performed and payment is net 30 days. Local travel and normal expenses are included in our hourly rate. Extended travel is included if defined above. Invoicing is 'not to exceed' the total amount above, based on the hours quoted. The hours quoted are based on information provided by the client regarding the nature and duration of the project (documented in this SoW), and our estimation of the required efforts to complete that work.

Additional effort and cost may be required due to: a) unreasonable delay or failure to deliver required information that we cannot reasonably derive through other methods within the Scope of Work defined - on the part of the Client or their 3rd party contractors/vendors, b) delays, alternate methodologies, or changes in scope requested by the Client that we cannot absorb within the hours quoted, c) failure to perform on behalf of: Client staff and contractors, other Client 3rd party vendors and contractors, telephone companies and/or carriers, d) failure to deliver or delays caused by the Vendors/Providers chosen by the Client through the evaluation step of this project, e) Force Majeure events that neither party has control over. Any changes in the Scope of Work or cost will be made in writing and mutually agreed upon – in the form of a change order or addendum, Client augment of existing PO/Contracts, or other method as Client may require to authorize additional funds.

ACCEPTANCE

The City of Lodi
221 W. Pine Street
Lodi, State, 95240

Com-Strat, LLC
1222 Grandview Rd
Sebastopol, CA 95472

Name: ____________________________
Name: ____________________________

Title: ______________________________
Title: ______________________________

Date: ______________________________
Date: ______________________________

Approved as to Form:

6/5/2012
JANICE D. MAGDICH
City Attorney

www.Com-Strat.com
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO EXECUTE AMENDMENT NO. 2 TO THE PROFESSIONAL SERVICES AGREEMENT WITH COMMUNICATION STRATEGIES, OF SEBASTOPOL, FOR PROJECT OVERSIGHT AND MANAGEMENT SUPPORT OF TELEPHONE AND COMMUNICATION PLATFORM DEPLOYMENT

==---------------------------------------------------------------------------------------------------------------------------------==

WHEREAS, on May 23, 2018, the City executed a Professional Services Agreement with Communication Strategies, in the amount of $4,995, to evaluate the City’s needs and to provide recommendations for technology that will support the City’s long-term telephone requirements; and

WHEREAS, on November 7, 2018, the City Council authorized the City Manager to execute Amendment No. 1 to support the City in the development of a Request for Proposal, review of responses, and the final selection of a vendor for the VoIP replacement system project; and

WHEREAS, staff recommends authorizing the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Communication Strategies to provide project oversight and management support to ensure a successful deployment of the City’s telephone and communication platform, in an amount not to exceed $45,622.50.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute Amendment No. 2 to the Professional Services Agreement with Communication Strategies, of Sebastopol, California, to provide project oversight and management support of the City’s telephone and communication platform deployment, in an amount not to exceed $45,622.50.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIIOLO
City Clerk

2019-____
AGENDA ITEM C-17

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Improvement Deferral Agreement for 927 Industrial Way

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute Improvement Deferral Agreement for 927 Industrial Way.

BACKGROUND INFORMATION: The owner of the property located at 927 Industrial Way has applied for a tenant improvement building permit in an existing building. In accordance with Title 15, Chapter 15.44 of the Lodi Municipal Code, the City may require the repairs/installation of public improvements if the value of the building improvements exceeds $52,900. The owner is required to repair/install public improvements, consisting of removal and replacement of the two driveways that do not comply with the Americans with Disabilities Act (ADA), as a condition of Building Permit No. 20180816 issuance.

The property owner has agreed to complete the removal and replacement of the easternmost non-ADA compliant driveway fronting Industrial Way by December 31, 2020, but requests to defer the removal and replacement of the westerly driveway that is shared with the adjacent property (923 Industrial Way) due to the financial impact to their business.

The owner has signed the Improvement Deferral Agreement and paid the necessary document preparation and recording fees. The Improvement Deferral Agreement requires the owner to pay for the design and installation of the easternmost driveway no later than December 31, 2020; and defers the westerly shared driveway until improvements for 923 Industrial Way have been requested or as determined by the Public Works Director or City Council. The estimated cost of the deferred improvements is $70,000.

Considering the financial impact on his business at this time and the owner’s cooperation to complete a portion of the frontage improvements within one year, Staff recommends authorizing the City Manager to execute the Improvement Deferral Agreement for 927 Industrial Way.

FISCAL IMPACT: Not applicable.

FUNDING: Not applicable.

Charles E. Swimley, Jr.
Public Works Director

Prepared by Denise Wiman, Sr. Engineering Technician
CES/DW/tdb
Attachment

cc: City Attorney
Deputy Public Works Director/City Engineer

APPROVED: _______________________________
Stephen Schwabauer, City Manager
WHEN RECORDED, RETURN TO:
City Clerk
City of Lodi
221 West Pine Street
Lodi, CA 95240

IMPROVEMENT DEFERRAL AGREEMENT
927 Industrial Way, Lodi, California
(APN 049-160-16)

THIS AGREEMENT is made and entered into by and between the CITY OF LODI, a municipal corporation, hereinafter referred to as "City" and "HIGH WATER BREWING, INC., a California corporation," hereinafter referred to as "Owner".

RECITALS:

Owner is the owner of that certain real property situated in the City of Lodi, County of San Joaquin, known as 927 INDUSTRIAL WAY (APN 049-160-16) (the "Property") and described as follows:

SEE ATTACHED EXHIBIT "A"

WHEREAS, Owner has submitted a building permit application (#20180816) for a tenant improvement on the Property; and

WHEREAS, removal and replacement of the two (2) non-ADA compliant driveways fronting the subject parcel is required as a condition of permit issuance in accordance with existing City ordinances and policies regarding off-site improvements as set forth in Title 15, Chapter 15.44 of the Lodi Municipal Code; and

WHEREAS, Owner is desirous of complying with existing City ordinances and policies regarding the installation of off-site improvements in conjunction with the above referenced building permit; and

WHEREAS, Owner has requested that the required off-site improvements be deferred to a date in the 2020 calendar year due to the fiscal impact of their business at this time; and

WHEREAS, the Public Works Director has determined that it would be in the best interest of the City and the applicant to have the off-site improvements installed at a later date; and

WHEREAS, the City Council will approve the deferral of the required 927 Industrial Way improvements on condition that the Owner first enter into and execute this Agreement with City.

NOW THEREFORE, in order to insure satisfactory performance by Owner of Owner’s obligations under said City Code, the parties agree as follows:

1. Owner agrees that it is Owner’s responsibility to pay for and complete the removal and replacement of one (1) easterly non-ADA compliant driveway in accordance with City standards, along the frontage of 927 Industrial Way no later than December 31, 2020, and deferral of the removal and replacement of the westerly shared driveway until improvements for 923 Industrial Way have been requested or at the request of the City, whichever occurs first, as determined by the Public Works Director in the reasonable exercise of his discretion, based on such factors as avoiding an impact on business operations, and concurrence by the City Council; however, in no event will the removal and replacement be deferred beyond December 31, 2020. In the event Owner fails to complete the removal and replacement of the driveways as set forth above, City is hereby authorized to complete the improvements for the account and the expense of Owner, and may file suit against Owner, its heirs, successors or assigns for the costs incurred, as well as for a reasonable sum to be allowed as
and for City's attorney fees and costs incurred in connection with such litigation for the collection of the monies due or may file a lien against the Property for the fees and costs incurred.

2. This Agreement shall run with the Property and be binding on the Owner, its heirs, successors and assigns.

3. A copy of this Agreement shall be recorded in the office of the San Joaquin County Records, P. O. Box 1968, Stockton, California 95201-1968.

4. All notices herein required shall be in writing, and delivered in person or sent by registered mail, postage prepaid.

Notices required to be given to City shall be addressed as follows:

Charles E. Swimley, Jr.
Public Works Director
City of Lodi
P. O. Box 3006
Lodi, CA 95240-1910

Notices required to be given to Owner shall be addressed as follows:

Steven J. Altimari
High Water Brewing, Inc.
1559 West Mendocino Avenue
Stockton, CA 95204

IN WITNESS WHEREOF, the parties hereto have set their hands the day, month and year appearing opposite their names.

CITY OF LODI, a municipal corporation

Dated: _________________ 2019

By: ____________________________
   Stephen Schwabauer, City Manager

Attest: ___________________________
   Jennifer Ferraiolo, City Clerk

Dated: _________________ 2019

High Water Brewing, Inc., a California corporation

By: ____________________________
   Name:
   Title:

Approved as to form: ____________
   Janice D. Magdich, City Attorney

Dated: _________________ 2019
EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 049-160-16

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

All that certain real property identified as "Parcel "A" Lot Line Merger" in that certain Certificate of Lot Line Adjustment No. 97R006 recorded October 6, 1997 as instrument 97099375, Official Records, being a single parcel of land described as follows:

Lots 6 and 7 of Tract No. 1462, Industrial Way Business Park, recorded January 23, 1979, in Book 24 of Maps and Plats, at page 25, Official Records of San Joaquin County, California, described as follows:

Beginning at the Southwest corner of said Lot 6; thence from said point of beginning, along the Westerly and Northerly lines of said Lot 6, and along the Easterly and Southerly lines of said Lots 6 and 7 the following four (4) courses:

(1) North 02°24'00" East 410.68 feet;
(2) South 87°28'00" East 215.00 feet;
(3) South 02°24'00" West 410.17 feet and
(4) North 87°36'00" Wast 215.00 feet to the point of beginning.
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE AN IMPROVEMENT
DEFERRAL AGREEMENT FOR 927 INDUSTRIAL WAY

========================================================================

WHEREAS, the owner of the property located at 927 Industrial Way has applied for a
tenant improvement building permit in an existing building; and

WHEREAS, the property owner is required to repair/install public improvements,
consisting of removal and replacement of the two driveways that do not comply with the
Americans with Disabilities Act (ADA), as a condition of Building Permit No. 20180816 issuance,
as set forth Lodi Municipal Code Chapter 15.44; and

WHEREAS, the property owner has agreed to complete the removal and replacement of
the easternmost non-ADA compliant driveway fronting Industrial Way by December 31, 2020;
however, requests to defer the removal and replacement of the westerly driveway that is shared
with the adjacent property (923 Industrial Way) due to the financial impact to their business at
this time; and

WHEREAS, the property owner has signed the Agreement and paid the necessary
document preparation and recording fees; and

WHEREAS, the Improvement Deferral Agreement requires the owner to pay for the
design and installation of the easternmost driveway no later than December 31, 2020; and
defers the westerly shared driveway until improvements for 923 Industrial Way have been
requested or as determined by the Public Works Director or City Council; and

WHEREAS, staff recommends authorizing the City Manager to execute the
Improvement Deferral Agreement for 927 Industrial Way.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize the City Manager to execute the Improvement Deferral Agreement for
927 Industrial Way.

Dated: July 17, 2019

========================================================================

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City
Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIIOLO
City Clerk

2019-_____
AGENDA TITLE: Adopt Resolution Approving Final Map and Authorizing City Manager to Execute Improvement Agreement for Vineyard Terrace Subdivision, Unit No. 1, Tract No. 3986

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution approving final map and authorizing City Manager to execute Improvement Agreement for Vineyard Terrace Subdivision, Unit No. 1, Tract No. 3986.

BACKGROUND INFORMATION: Vineyard Terrace Subdivision, Unit No. 1, is the first phase of the multi-phase residential development located east of Lower Sacramento Road and north of Century Boulevard, as shown on Exhibit A. Unit No. 1 consists of 121 single-family, residential lots.

The project includes the installation of all interior subdivision public improvements and street improvements on Century Boulevard, from Lower Sacramento Road to the project easterly boundary, and on Lower Sacramento Road from Century Boulevard to the project northerly boundary.

The Developer, K. Hovnanian CA Land Holdings, LLC (Developer), has furnished the City with improvement plans, necessary agreements, guarantees, insurance certificates, and the required fees for the proposed subdivision. Development Impact Fees will be collected as part of the building permit process prior to issuing a certificate of occupancy for each single-family residence in accordance with Lodi Municipal Code 15.64.040. This project is part of the Community Facilities District No. 2007-1 (Public Services) (CFD).

Portions of the cost to install certain offsite public improvements that benefit other properties may be eligible for reimbursement from others. It is Developer’s responsibility to request reimbursement and submit the appropriate information per Lodi Municipal Code Chapter 17.62.

Staff recommends approving final map and authorizing City Manager to execute Improvement Agreement for Vineyard Terrace Subdivision, Unit No. 1, Tract No. 3986.

FISCAL IMPACT: There will be an increase in long-term maintenance costs for public infrastructure and City services such as police, fire, and parks, and open space maintenance. This cost will be partially offset by proceeds from the CFD.

APPROVED: ________________________________
Stephen Schwabauer, City Manager
FUNDING AVAILABLE: Not applicable.

Charles E. Swimley, Jr.
Public Works Director

Prepared by Karissa Kiriu, Assistant Engineer
CES/KTVK/tdb
Attachments

cc: City Attorney, Magdich
    Deputy Public Works Director / City Engineer, Chang
    Assistant Engineer, Kiriu
    Senior Engineering Technician, Wiman
    K. Hovnanian CA Land Holdings, LLC
    NorthStar Engineering Group, Inc.
IMPROVEMENT AGREEMENT
for the
PUBLIC IMPROVEMENTS
of the
VINEYARD TERRACE SUBDIVISION, UNIT 1
TRACT NO. 3986

THIS AGREEMENT is made and entered into by and between the CITY OF LODI, a California
municipal corporation, hereinafter referred to as "City", and K. Hovnanian CA Land Holdings,
LLC, a California LLC, qualified to do business in California, hereinafter referred to as
"Developer".

RECITALS:

Developer is the developer of that certain real properties situated in the City of Lodi, County of
San Joaquin, commonly known as Lots 1, 2, and 3 (A.P.N.s: 058-140-14, 058-140-12, and 058-
140-52) and more particularly described in Exhibit A and depicted in Exhibit B. Developer has
presented to City for approval of the final subdivision map, hereinafter called "Map", entitled
"VINEYARD TERRACE SUBDIVISION, Unit 1". The Map was filed with the Public Works
Director for presentation to the City Council for approval, and is hereby referred to and
incorporated herein;

Developer has requested approval of the Map prior to the construction and completion of public
improvements, including all streets, highways or public ways, and public utilities and facilities
which are a part of, or appurtenant to, the Vineyard Terrace, Unit 1 Subdivision, hereinafter called
"Project", all in accordance with, and as required by, the plans and specifications for all or any of
said improvements in, appurtenant to, or outside the limits of Project, which plans and
specifications are now on file in the office of and endorsed with the approval of the Public Works
Director or his designee.

City Council will adopt a resolution to approve the Map and accept the dedications therein offered
on the condition that Developer will first enter into and execute this Agreement with City and meet
the requirements of said resolution; and

This Agreement is executed pursuant to the provisions of the Subdivision Map Act of the State of
California and Titles 15 and 17 of the Lodi Municipal Code ("LMC").

NOW THEREFORE, for and in consideration of the acceptance of the dedications offered, and in
order to insure satisfactory performance by Developer of Developer's obligations under State law
and City Code, the parties agree as follows:

1. Performance of Work by Developer

Developer will do and perform, or cause to be done and performed at Developer's own
expense, in a good and workmanlike manner, and furnish all required materials, all under
the direction and to the satisfaction of City's Public Works Director, all of the work and
improvements as shown on the approved improvement plans for the Project, Plan Set
D'190, which is on file in the Public Works Department.

The Developer shall also perform or cause to be performed the following items which are not
shown on the improvement plans:

A. Street light installation and connection to City system;
B. Natural gas line installation;
C. Telephone line installation;
D. Electrical system; and
E. Cable television system.

2. Development Changes
Developer shall also perform all work and furnish all materials necessary to comply with any changes required by the Public Works Director, which, in his opinion, are necessary or required to complete the work in conformance with City Standards or are the result of changed conditions.

3. Performance of Work by City
Prior to the approval of the final map by the City, it is agreed that the Developer shall deposit with the City the amount of money shown as the "Developer Cost" on the Billing Schedule, attached hereto as Exhibit C, and by this reference made a part hereof as though fully set forth.

From payments made under the Billing Schedule, Developer elects to have the City perform or install or cause the installation of the following items:

A. Street seal coat;
B. Televideo inspection of the public sewer and storm drain lines. The fee shown on the Billing Schedule is based on the linear footage of sewer and storm drain pipe, including laterals, shown on the improvement plans. The fee will be adjusted, if necessary, when the televideo inspection is complete. Any additional fee must be paid prior to Project acceptance;
C. Storm Water Permit Compliance Inspections. The fee shown on the Billing Schedule is based on one (1) inspection per month for construction activities covering twelve months period. The fee will be adjusted, if necessary, when the improvements are complete and ready for acceptance by the City. Any additional fee must be paid prior to project acceptance.

Developer shall also pay all additional costs for work performed by City deemed by the Public Works Director necessary to complete the work under this Agreement in conformance with City Standards.

4. Development Impact Mitigation Fees
Development Impact Mitigation Fees for water, wastewater, street improvements, storm drain, police, fire, parks and recreation, general City facilities, art in public places are required for this Project. Payment of the Development Impact Mitigation Fees shall be collected prior to issuance of Certificate of Occupancy for each dwelling. In conformance with LMC Section 15.64.050, the fees are automatically adjusted on January 1st of each year. Fees may also be adjusted at other times by separate City Council action. The actual fees to be paid will be those in effect at the time of payment. This Agreement shall in no way limit City's ability to charge Developer the fees in effect at the time Developer pays the fees.

5. Reimbursement from Others
Developer may be eligible for reimbursement from others for the cost of certain off-site public improvements that benefit other properties. It is Developer's responsibility to request reimbursement and submit the appropriate information per LMC Section 17.62.

6. Work: Time for Commencement and Performance
Developer shall, within 365 calendar days from the date of this Agreement, perform or cause to be performed, all work and/or improvements described in this Agreement.
least 15 calendar days prior to the commencement of work hereunder, Developer shall notify the Public Works Director of the date fixed by Developer for commencement thereof, so that City can provide inspection services.

7. Time Extension

Time is of the essence of this Agreement. City may extend the time for completion of the improvements hereunder, under the terms of an addendum to this Agreement, which shall be approved and executed by the City Manager. Any such extension may be granted without notice to Developer’s surety, and extensions so granted, shall not relieve the surety’s liability on the bond to secure the faithful performance of Developer under this Agreement. The City Manager shall be the sole and final judge as to whether or not good cause has been shown to entitle Developer to an extension.

8. Record Drawings and Certifications

Prior to acceptance of the Project improvements, Developer shall have installed and put in place, all survey monuments as shown on the Maps and provide record drawings and certifications as described in the City of Lodi Public Improvement Design Standards.

9. Permits; Compliance with Law

Developer shall, at Developer’s expense, obtain all necessary permits and licenses for the construction of the improvements described in this Agreement, give all necessary notices, and pay all fees and taxes required by law.

10. Superintendence by Developer

Developer shall give personal superintendence to the work of said improvements, or have a competent agent, foreman or superintendent, satisfactory to the Public Works Director, on the work site at all times during construction, with authority to act for Developer.

11. Inspection by City

Developer, shall at all times, maintain proper facilities and provide safe access for inspection by City to all parts of the work site. Inspections will be provided during normal working hours of City staff. Developer will be billed for inspections on work performed on weekends, holidays and overtime. Developer shall also pay all additional costs incurred by City for soils and materials testing and/or inspection services, including storm water compliance inspections, required as a part of City inspection activities.

12. Contract Security

Concurrently with the execution of this Agreement, Developer shall furnish Improvement Security of at least 100 percent of the estimated cost of the public improvements required to be constructed, plus engineering costs of surveying, record drawings and certifications as security for the faithful performance of this Agreement; and an amount equal to at least 100 percent of the above costs as security for the payment of all persons performing labor and furnishing materials in connection with this Agreement as more fully described in the State Subdivision Map Act.

The City has determined these security amounts to be as follows:

<table>
<thead>
<tr>
<th></th>
<th>Faithful Performance</th>
<th>Labor and Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-Site Improvements</td>
<td>$697,400.00</td>
<td>$697,400.00</td>
</tr>
<tr>
<td>Underground Improvements</td>
<td>$1,290,900.00</td>
<td>$1,290,900.00</td>
</tr>
<tr>
<td>Site Improvements</td>
<td>$2,050,500.00</td>
<td>$2,050,500.00</td>
</tr>
<tr>
<td>Perimeter Walls</td>
<td>$791,300.00</td>
<td>$791,300.00</td>
</tr>
</tbody>
</table>
13. **Warranty Security**

Prior to acceptance of the Project improvements by City, Developer shall furnish warranty security of at least 10 percent of the total cost of the public improvements required to be constructed, as security for repair or replacement of defective work as provided under Paragraph 17 of this Agreement. The warranty period shall be two years following the date of acceptance of the improvements by City. If any portion of the Project receives partial acceptance during the course of construction, the warranty period for all required Project improvements shall commence upon the date of final acceptance for the entire Project.

14. **Hold-Harmless Agreement**

Developer hereby agrees to, and shall, hold City, its elected and appointed boards, commissions, officers, agents, and employees, harmless from any liability for damage or claims for damage from personal injury, including death, as well as from claims for property damage which may arise from Developer's or Developer's contractors', subcontractors', agents' or employees' operations under this Agreement, whether such operations be by Developer or by any of Developer's contractors, subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Developer or any of Developer's contractors or subcontractors. Developer agrees to, and shall, defend City and its elected and appointed boards, commissions, officers, agents, and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations; provided as follows:

A. That City does not, and shall not, waive any rights against Developer which it may have by reason of the aforesaid hold-harmless agreement, because of the acceptance by City, or the deposit with City by Developer, of any of the insurance policies described in Paragraph 15 of this Agreement.

B. That the aforesaid hold-harmless agreement by Developer shall apply to all damages and claims for damages of every kind suffered, or alleged to have been suffered, by reason of any of the aforesaid operations referred to in this paragraph, regardless of whether or not City has prepared, supplied or approved of, plans and/or specifications for the Project, or regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

15. **Developer's Insurance**

Developer shall not commence work under this Agreement until Developer shall have obtained all insurance required under this paragraph, nor shall Developer allow any contractor or subcontractor to commence work on Developer's contract or subcontract until all similar insurance required of the contractor or subcontractor shall have been so obtained. All requirements herein provided shall appear either in the body of the insurance policies or as endorsements and shall specifically bind the insurance carrier.

A. **Worker's Compensation Insurance**

Developer shall maintain, during the life of this agreement, Worker’s Compensation Insurance for all Developer’s employees employed at the site of improvement, and in case any work is sublet, Developer shall require any contractor or subcontractor similarly to provide Worker’s Compensation Insurance for all contractors’ or subcontractors’ employees, unless such employees are covered by the protection afforded by Developer. In case any class of employees engaged in hazardous work under this Agreement at the site of the Project is not protected under the Worker’s Compensation Statute, the Contractor shall provide and shall cause each subcontractor to provide insurance for the protection of said employees. **A waiver of subrogation is required for workers compensation insurance.** This policy may not be canceled nor the coverage reduced without 30 days prior written notice of
such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine Street, Lodi, CA, 95240. Developer hereby indemnifies City for any damage resulting to it from failure of either Developer or any contractor or subcontractor to take out or maintain such Worker’s Compensation insurance.

B. Comprehensive General and Automobile Insurance

Developer shall take out and maintain during the life of this Agreement such insurance as shall insure City, its elected and appointed boards, commissions, officers, agents, and employees, Developer and any contractor or subcontractor performing work covered by this Agreement from claims for damages for personal injury, including death, as well as from claims for property damage which may arise from the Project or the Project property, including any public streets or easements, from Developer’s or any contractors’ or subcontractors’ operations hereunder, whether such operations be by Developer or any contractor or subcontractor or by anyone directly or indirectly employed by either Developer or any contractor or subcontractor, and the amount of such insurance shall be as follows:

1. COMPREHENSIVE GENERAL LIABILITY
   
   $5,000,000 Each Occurrence
   $10,000,000 General Aggregate

2. COMPREHENSIVE AUTOMOBILE LIABILITY
   
   $5,000,000 Combined Single Limit
   Such insurance shall cover liability arising out of any vehicle (including, owned, hired and non-hired vehicles) operated in performing any and all services pursuant to this Agreement. Coverage shall be written on ISO form CA 00 01 12 90, or a later version, that provides liability coverage at least as broad as this form.

Developer must have comprehensive automobile liability only if Developer’s vehicles are used for the Project or on the Project property.

NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City’s online insurance program requesting you to forward the email to your insurance provider(s).

NOTE: Developer agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.). "Claims made" coverage requiring the insureds to give notice of any potential liability during a time period shorter than that found in the Tort Claims Act shall be unacceptable.

All limits are to be designated strictly for the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. All deductibles or self-insured retentions (SIR) must be disclosed to City’s Risk Manager for approval and shall not reduce the limits of liability set forth hereinafore. Insurance policies containing any deductible or SIR provision shall provide, or be endorsed to provide, that the deductible or SIR may be satisfied by either the Named Insured(s) or the City of Lodi.

It is required that any available insurance proceeds broader than or in excess of the specified minimum insurance coverage requirements and/or limits set forth above, shall be available to City as an additional insured. Furthermore, the requirements for coverage and limits shall be (i) the minimum coverage and limits specified in these
insurance requirements; or (ii) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Developer, whichever is greater.

A copy of the certificate of insurance with the following endorsements shall be furnished to the City:

A. Additional Named Insured Endorsement
Pursuant to a separate endorsement (ISO form CG 2010 (11/85) or a later version, that provides liability coverage at least as broad as this form) Such insurance as is afforded by this policy shall also apply to the City of Lodi, its elected and appointed boards, commissions, officers, agents and employees as additional named insured insofar as work performed by the insured under written contract with the City of Lodi. This endorsement shall be on the form furnished by City and shall be included with Developer's policies. An additional named insured endorsement is also required for Auto Liability.

B. Primary and Non-Contributory Insurance Endorsement
Additional insurance coverage under the Developer's policy shall be "primary and non-contributory" and will not seek contribution from City's insurance or self-insurance and shall be at least as broad as ISO form CG 20 01 04 13.

C. Severability of Interest Clause
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the Developer's liability.

D. Waiver of Subrogation
Include a waiver of subrogation against the City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers. A waiver is required for General Liability and Auto Liability.

E. Limits of Coverage
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance of Developer shall contain, or be endorsed to contain, a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the City before the City's own insurance or self-insurance shall be called upon to protect the City as a named insured.

F. Completed Operations Endorsement
For three years after completion of project, a certificate of insurance with a Completed Operations Endorsement, CG 20 37 07 04, will be provided to the City of Lodi.

G. Continuity of Coverage
All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Developer shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Developer shall provide proof of continuing insurance on at least an annual basis during the Term. If Developer's insurance lapses or is discontinued for any reason, Developer shall immediately notify the City and immediately obtain replacement insurance.

H. Failure to Comply
If Developer fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance. Developer shall reimburse the City for premiums paid, with interest on the premium paid by
the City at the maximum allowable legal rate then in effect in California. The City shall notify Developer of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Developer shall pay such reimbursement and interest on the first (1st) day of the month following the City’s notice. Notwithstanding any other provision of this Agreement, if Developer fails or refuses to obtain or maintain insurance as required by this Agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Developer shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

I. Qualified Insurer(s)

All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.

16. Title to Improvements

Title to, and ownership of, all public improvements constructed hereunder by Developer shall vest absolutely in City upon completion and acceptance of such public improvements by City.

17. Repair or Reconstruction of Defective Work

If, within a period of two (2) years after final acceptance by City of the work performed under this Agreement, any structure or part of any structure furnished and/or installed or constructed, or caused to be installed or constructed by Developer, or any of the work done under this Agreement, including the mitigation measures for dust and erosion control, fails to fulfill any of the requirements of this Agreement plans and specifications referred to herein, Developer and Developer’s surety shall, without delay and without cost to City, repair, replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should Developer or Developer’s surety fail to act promptly or in accordance with this requirement, or should the exigencies of the case require repairs or replacements to be made before Developer can be notified, City may, at its option, make the necessary repairs or replacements or perform the necessary work, and Developer shall pay to City the actual cost of such repairs plus 15-percent for administration and overhead costs.

18. Landscape Maintenance

Developer shall perform regular maintenance on the landscape element, including plants and irrigation system, installed with the Project for a period of two (2) years after the final acceptance by City. Should Developer or Developer’s surety fail to act promptly or in accordance with this requirement, or should the exigencies of the case require maintenance to be performed before Developer can be notified, City may, at its option, perform the necessary maintenance work, and Developer shall pay to City the actual cost of such repairs plus 15-percent for administration and overhead costs.

19. Repair or Replacement of City-Owned Bypass Meter Assemblies

Developer is required by City to install bypass meter assemblies in conjunction with the installation of water mains in the City of Lodi. City will supply these assemblies upon receipt of a deposit in the amount of $5,000 for each assembly required. The purpose of the deposit is to guarantee the return of the assembly in good condition and fulfillment of the other obligations shown in the City's Policies and Procedures entitled "Metering Water Usage of New Water Mains Requiring Temporary Bypasses."
20. Mud, Debris, Dust and Erosion

Developer agrees and covenants not to permit mud or other debris to be tracked from the Project site or elsewhere onto City or County streets or onto private property without express permission. Developer further agrees not to cause damage to City or County streets.

Should any mud or debris be deposited in City or County streets or any damage is caused to City or County streets, Developer shall have the same removed or repaired forthwith, and if not removed or repaired upon notice within a specified time, City shall cause the same to be removed or repaired and Developer shall be charged for the cost of said removal or repairs.

Developer, Developer’s contractor, subcontractors, and/or agents shall be responsible for dust and erosion problems created during construction, including installation of telephone, electrical, cable television and gas facilities. Developer’s responsibility for dust and erosion control shall extend to include a period of two years from the date of final acceptance by City of the work performed under this Agreement.

If a dust or erosion problem arises during development or within a period of two (2) years from the date of final acceptance by City of the work performed under this Agreement, including but not limited to installation of telephone, electrical, cable television, and/or gas facilities, and has not, after notice, been abated by Developer within a specified period of time, City shall cause the same to be controlled, and Developer shall be charged with the cost of said control.

21. Fire Protection During Construction

Fire protection facilities approved by City’s Fire Chief, including all-weather access road and an approved water supply capable of supplying the required fire flow, shall be installed and made serviceable in accordance with the City Fire Code (as set forth in the Lodi Municipal Code) prior to and during the time of building construction. The above may be modified when alternate methods of protection approved by the Fire Chief are provided.

22. Protection of Existing Improvements

Damage to any existing improvements, private or public utility lines installed or undergoing installation in which damage occurs during the onsite and offsite construction required of Developer under this Agreement, shall be the absolute responsibility and liability of Developer. In other words, it shall be Developer’s responsibility to pay for damage to existing improvements and public or private utilities within the Project property. Damage to any existing facilities outside the limits of the Project damaged as part of the construction of the required Project improvements is also Developer’s responsibility.

23. Dwelling Occupancy

City will not allow occupancy of any building or structure within the Project until all deferred fees have been paid, public improvements have been approved and accepted by the Public Works Department per established City policy and other requirements of City codes have been met. If building is started prior to acceptance of the improvements, it is Developer’s responsibility to inform all prospective purchasers that occupancy will not be permitted until said deferred fees are paid and public improvements are so accepted by City.

24. Developer Not Agent of City

Neither Developer nor any of Developer’s agents, contractors, or subcontractors are or shall be considered to be agents of City in connection with the performance of Developer’s obligations under this Agreement.
25. Notice of Breach and Default

If Developer refuses or fails to obtain prosecution of the work, or any severable part thereof, with such diligence as will insure its completion within the time specified, or any extensions thereof, or fails to obtain completion of said work within such time, or if Developer should be adjudged bankrupt, or Developer should make a general assignment for the benefit of Developer's creditors, or if a receiver should be appointed in the event of Developer's insolvency, or if Developer or any of Developer's contractors, subcontractors, agents, or employees, should violate any of the provisions of this Agreement, the Public Works Director or City Council may serve written notice upon Developer and Developer's surety of breach of this Agreement, or any portion thereof, and the default of Developer.

26. Breach of Agreement; Performance by Surety or City

In the event of any such notice, Developer’s surety shall have the duty to take over and complete the work and the improvements herein specified; provided however, that if the surety, within five (5) days after the serving upon it of such notice of breach, does not give City written notice of its intention to take over the performance of this Agreement, and does not commence performance thereof within five (5) days after notice to City of such election, City may take over the work and prosecute the same to completion, by contract or by any other method City may deem advisable, for the account and at the expense of Developer, and Developer’s surety shall be liable to City for any excess cost or damage occasioned City thereby; and, in such event, City, without liability for so doing, may take possession of, and utilize in completing the work, such materials, appliances, plant and other property belonging to Developer as may be on the site of the work and necessary therefor.

27. This Agreement shall run with the land and be binding on the Owner, its heirs, successors and assigns.


All notices herein required shall be in writing, signed by the authorized representative of the sender and shall be deemed to have been given when the same is personally served or upon receipt by express or overnight delivery, postage prepaid, or three (3) days from the time of mailing if sent by first class or certified mail, postage prepaid, addressed to the respective parties.

Notices required to be given to City shall be addressed as follows:

Charles E. Swimley, Jr.
Public Works Director
City of Lodi
221 West Pine Street
P. O. Box 3006
Lodi, CA 95241-1910

Notices required to be given to Developer shall be addressed as follows:

Robert Sprague
Forward Planning Manager
K. Hovnanian CA Land Holdings, LLC
3721 Douglas Blvd # 150
Roseville, CA 95661
Notices required to be given to Surety shall be addressed as follows:


Provided that either party or the surety may change such address by notice in writing in the manner set forth above, to the other party and thereafter notices shall be addressed and transmitted to the new address.

29. Authority

The undersigned hereby represent and warrant that they are authorized by the parties to execute this Agreement.

[The balance of this page is intentionally left blank.]
30. Execution

In Witness Whereof, Developer and City have caused their names and corporate seals to be hereunto affixed.

K. Hovnanian CA Land Holdings, LLC
A California LLC

Dated: _______________________

By: _______________________
MIKE WYATT
Division President

(CORPORATE SEAL)

CITY OF LODI,
a California municipal corporation

Dated: _______________________

By: _______________________
STEPHEN SCHWABAUER
City Manager

ATTEST:

____________________________
JENNIFER M. FERRAILO
City Clerk

(CORPORATE SEAL)

APPROVED AS TO FORM:

____________________________
JANICE D. MAGDIC
City Attorney
EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 058-140-14, 058-140-12 and 058-140-52

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF LODI, COUNTY OF SAN JOAQUIN, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel 1:

A portion of the Northeast Quarter of Section 15, Township 3 North, Range 6 East, Mount Diablo Base and Meridian, particularly described as follows:

Commencing at a point being 95 feet South of the North line of said Northeast Quarter and 1447.4 feet West of the East line of said Northeast Quarter at an axle on the East line of the mutually agreed property line as indicated on Map of Survey filed May 21, 1947, in Vol. 7 at page 34, Record of Surveys, San Joaquin County Records; thence South 0° 12' 1/2" West along said mutually agreed property line and its southerly extension, 1227 feet to a point being 1320 feet North of the South line of said Northeast Quarter (NE 1/4), said point being the true point of beginning of the hereinafter described real property; thence North 89° 12' West, a distance of 1320 feet to the West line of said Northeast Quarter (NE 1/4); thence Northerly along the Westerly line of said Northeast Quarter (NE 1/4), a distance of 89 feet; thence South 89° 37' 1/2" East, a distance of 662 feet; thence South 89° 11' 1/2" East, a distance of 529.5 feet; thence South 0° 12' 1/2" West; a distance of 94 feet, more or less, to the point of beginning.

APN: 058-140-14

Parcel 2:

The Northerly 1/2 of that tract of land bounded and described as being within the boundaries of a line commencing at the center of Section 15, Township 3 North, Range 6 East, Mount Diablo Base and Meridian, and running thence along the quarter section line North and South through the center of said Section 15, North 0° 30' West 1320 feet; thence South 89° 38' East 1320 feet; thence South 0° 30' East 1320 feet to the quarter section line East and West through the center of said Section 16; thence along said quarter section line, North 89°30' West 1320 feet to the point of beginning, and containing 40 acres, more or less, all in said Section 15, Township 3 North, Range 6 East, Mount Diablo Base and Meridian, and run by true Meridian Magnetic Variation 17° 30' East.

APN: 058-140-12

Parcel 3:

The Southerly one-half of that tract of land described as follows, to wit:

Commencing at the center of Section 15, Township 3 North, Range 6 East, Mount Diablo Base and Meridian, and running thence along the quarter section line North and South through the center of said Section 15; thence North 0° 30' West 1320 feet; thence South 89° 38' East 1320 feet; thence South 0° 30' East 1320 feet to the quarter section line East and West through the center of Section 15; thence along said quarter section line, North 89° 30' West 1320 feet to the point of beginning, and containing 40 acres, more or less, all in said Section 15, Township 3 North, Range 6 East, Mount Diablo Base and Meridian, and run by true Meridian Magnetic Variation 17° 30' East.

Excepting therefrom all that portion conveyed to the City of Lodi by Grant Deed recorded June 27, 2005 as Document No. 2005-154385 of Official Records.

APN: 058-140-52
<table>
<thead>
<tr>
<th>BILLING SCHEDULE</th>
<th>EXHIBIT C</th>
</tr>
</thead>
<tbody>
<tr>
<td>DEVELOPER COST</td>
<td>CREDITS</td>
</tr>
<tr>
<td>Gross Acreage:</td>
<td>14.91</td>
</tr>
<tr>
<td>No. of Units:</td>
<td>121</td>
</tr>
<tr>
<td>Construction cost</td>
<td>$138,242.21</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENGINEERING</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Engineering Fee (5% of $100,000)</td>
<td>ENGFEE</td>
</tr>
<tr>
<td>(3.5% of $200,000)</td>
<td>ENGFEE</td>
</tr>
<tr>
<td>(2.5% of $4,530,100)</td>
<td>ENGFEE</td>
</tr>
<tr>
<td>Inspection Fee (4% of $250,000)</td>
<td>ENGINES</td>
</tr>
<tr>
<td>(3.5% of $750,000)</td>
<td>ENGINES</td>
</tr>
<tr>
<td>(3% of $3,830,100)</td>
<td>ENGINES</td>
</tr>
<tr>
<td>Engineering Fee Paid Improvement Agreement Fee</td>
<td>ENGFEE</td>
</tr>
<tr>
<td>ENGINEERING SUBTOTAL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STREET SYSTEM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees: Storm Water Inspection Fees (Charge for 1 year inspection)</td>
<td>PW03</td>
</tr>
<tr>
<td>Charges for work by City Forces: Seal Coat</td>
<td>NC07</td>
</tr>
<tr>
<td>STREET SYSTEM SUBTOTAL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SEWER SYSTEM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees: Charges for Work by City Forces: TV Inspection for Pipe Installation</td>
<td>PW03</td>
</tr>
<tr>
<td>TV Inspection for Project Acceptance</td>
<td>PW03</td>
</tr>
<tr>
<td>SEWER SYSTEM SUBTOTAL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>STORM DRAIN SYSTEM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees: Charges for Work by City Forces: TV Inspection for Pipe Installation</td>
<td>PW03</td>
</tr>
<tr>
<td>TV Inspection for Project Acceptance</td>
<td>PW03</td>
</tr>
<tr>
<td>STORM DRAIN SYSTEM SUBTOTAL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WATER SYSTEM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for Work by City Forces: Ties to Existing System by City 10x6 Hot-tap</td>
<td>PW02</td>
</tr>
<tr>
<td>10x6 Hot-tap</td>
<td>PW02</td>
</tr>
<tr>
<td>WATER SYSTEM SUBTOTAL</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ELECTRICAL SYSTEM</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>To be billed separately by Electric Utility Department</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL AMOUNT OF BILLING SCHEDULE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$353,355.98</td>
</tr>
</tbody>
</table>
### ADDITIONAL FEES

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
</table>
| Reimbursement Agreement 2005-114  
  Acquisition of Property Located at 14320 North Lower Sacramento Road  
  14.91 Acres @ $2,374.74/Acre                                              | $35,407.37 |
| Reimbursement Agreement 2007-52  
  Lower Sacramento Road (Kettleman Lane to Harney Lane) Improvements  
  14.91 Acres @ $4,763.40/Acre                                              | $71,022.29 |
| 200-Year Flood Plan Certification Fee  
  27080000.55020  121 LOTS @ $  188                                       | $22,748.00 |
| Post-Construction Storm Water Mitigation Fee  
  30000000.55024  658.08 CY @ $  100                                      | $65,808.00 |
| Parks & Recreation Facilities Development Impact Fee  
  43700000.57501  121 LOTS @ $  4263.83                                    | $515,923.43 |
| **TOTAL DUE PRIOR TO IMPROVEMENT PLAN APPROVAL**                            | **$926,022.87** |
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING FINAL MAP AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN IMPROVEMENT AGREEMENT FOR VINEYARD TERRACE SUBDIVISION, UNIT NO. 1, TRACT NO. 3986

WHEREAS, Vineyard Terrace Subdivision, Unit No. 1, is the first phase of the multi-phase residential development located east of Lower Sacramento Road and north of Century Boulevard and consists of 121 single-family residential lots; and

WHEREAS, the project includes the installation of all interior subdivision public improvements and street improvements on Century Boulevard, from Lower Sacramento Road to the project easterly boundary, and on Lower Sacramento Road from Century Boulevard to the project northerly boundary; and

WHEREAS, the developer, K. Hovnanian CA Land Holdings, LLC (Developer), has furnished the City with improvement plans, necessary agreements, guarantees, insurance certificates, and the required fees for the proposed subdivision. Development Impact Fees will be collected as part of the building permit process prior to issuing a certificate of occupancy for each single-family residence in accordance with Lodi Municipal Code 15.64.040. This project is part of the Community Facilities District No. 2007-1 (Public Services) (CFD); and

WHEREAS, portions of the cost to install certain offsite public improvements that benefit other properties may be eligible for reimbursement from others. It is Developer's responsibility to request reimbursement and submit the appropriate information per Lodi Municipal Code Chapter 17.62; and

WHEREAS, staff recommends approving the final map and authorizing the City Manager to execute the Improvement Agreement for Vineyard Terrace Subdivision, Unit No. 1, Tract No. 3986.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the final map for Vineyard Terrace Subdivision, Unit No. 1, Tract No. 3986; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the Improvement Agreement for Vineyard Terrace Subdivision, Unit No. 1, Tract No. 3986.

Dated:  July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES:     COUNCIL MEMBERS –

NOES:     COUNCIL MEMBERS –

ABSENT:   COUNCIL MEMBERS –

ABSTAIN:  COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk
AGENDA ITEM C-19

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to Execute Amended Joint Powers Agreement with the California Transit Indemnity Pool

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to execute amended Joint Powers Agreement with the California Transit Indemnity Pool.

BACKGROUND INFORMATION: The California Transit Indemnity Pool (CalTIP) was created in 1987 to allow transit agencies to pool resources for liability coverage, vehicle physical damage coverage, risk management services, and a variety of other services. Membership in CalTIP is achieved through a Joint Powers Agreement (JPA) with each of its transit agency members. The City of Lodi joined CalTip in 1990 and staff serves on its Board of Directors (Board) and on the Finance Committee to ensure involvement in the decisions that are made affecting Lodi’s interests in the insurance pool.

CalTIP has proposed amendments to the existing JPA and its bylaws that address ongoing challenges with quorum requirements and will allow the CalTIP Board to make decisions and carry forth initiatives in a more expeditious manner for the benefit of the organization. The JPA has not been amended since 2011.

A draft JPA and Bylaws were distributed to all CalTIP members, including Lodi, on April 3, 2019, to provide time to review the changes, provide comments, and ask questions. At its April 18, 2019 meeting, the CalTIP Board approved submitting the amended JPA to each of the member agencies for approval. In addition, the CalTIP Board approved the amended Bylaws to become effective upon approval of the amended JPA. Generally, the CalTIP Board can approve amendments to their Bylaws, but because the amended JPA makes reference to the Bylaws, they have been included for informational purposes.

The amended JPA must be approved by the governing bodies of at least three-fourths of the CalTIP members. However, CalTIP recommends that all member agencies approve the amended JPA regardless.

Staff recommends authorizing City Manager to execute amended Joint Powers Agreement with the California Transit Indemnity Pool.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Charles E. Swimley, Jr.
Public Works Director

Prepared by Georgia Lantsberger, Transportation Manager
CES/GL/tdb
Attachment

APPROVED: ________________________________________

Stephen Schwabauer, City Manager

K:\WP\TRANSIT\CC CalTIP Change to Bylaws 2019.doc
7/11/2019
CALIFORNIA TRANSIT SYSTEMS

JOINT POWERS AUTHORITY

AMENDED AND RESTATED
JOINT POWERS AUTHORITY AGREEMENT

As Amended 2019
# TABLE OF CONTENTS

AMENDED AND RESTATED

JOINT POWERS AUTHORITY AGREEMENT

CALIFORNIA TRANSIT SYSTEMS JOINT POWERS AUTHORITY (CaTIP)

<table>
<thead>
<tr>
<th>ARTICLE</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>PURPOSE</td>
<td>1</td>
</tr>
<tr>
<td>II</td>
<td>CREATION OF THE CALIFORNIA TRANSIT SYSTEMS JOINT POWERS AUTHORITY</td>
<td>2</td>
</tr>
<tr>
<td>III</td>
<td>DEFINITIONS</td>
<td>2</td>
</tr>
<tr>
<td>IV</td>
<td>PARTIES TO THIS AGREEMENT</td>
<td>2</td>
</tr>
<tr>
<td>V</td>
<td>TERM OF AGREEMENT</td>
<td>2</td>
</tr>
<tr>
<td>VI</td>
<td>POWERS OF THE AUTHORITY</td>
<td>3</td>
</tr>
<tr>
<td>VII</td>
<td>GOVERNING DOCUMENTS</td>
<td>3</td>
</tr>
<tr>
<td>VIII</td>
<td>RESPONSIBILITIES OF THE PARTIES</td>
<td>3</td>
</tr>
<tr>
<td>IX</td>
<td>POWERS RESERVED UNTO THE PARTIES</td>
<td>4</td>
</tr>
<tr>
<td>X</td>
<td>BOARD OF DIRECTORS</td>
<td>4</td>
</tr>
<tr>
<td>XI</td>
<td>DUTIES OF THE BOARD NOT DELEGABLE</td>
<td>4</td>
</tr>
<tr>
<td>XII</td>
<td>BOARD MEETINGS AND RECORDS</td>
<td>4</td>
</tr>
<tr>
<td>XIII</td>
<td>OFFICERS OF THE AUTHORITY</td>
<td>5</td>
</tr>
<tr>
<td>XIV</td>
<td>ANNUAL BUDGET</td>
<td>5</td>
</tr>
<tr>
<td>XV</td>
<td>ADMINISTRATION OF FUNDS</td>
<td>5</td>
</tr>
<tr>
<td>XVI</td>
<td>NEW PARTIES</td>
<td>5</td>
</tr>
<tr>
<td>XVII</td>
<td>WITHDRAWAL</td>
<td>5</td>
</tr>
<tr>
<td>XVIII</td>
<td>EXPULSION</td>
<td>6</td>
</tr>
<tr>
<td>XIX</td>
<td>EFFECT OF EXPULSION OR WITHDRAWAL</td>
<td>6</td>
</tr>
<tr>
<td>XX</td>
<td>TERMINATION AND DISTRIBUTION</td>
<td>6</td>
</tr>
<tr>
<td>XXI</td>
<td>LIABILITY AND INDEMNIFICATION</td>
<td>6</td>
</tr>
<tr>
<td>XXII</td>
<td>NOTICES</td>
<td>7</td>
</tr>
<tr>
<td>XXIII</td>
<td>PROHIBITION AGAINST ASSIGNMENT</td>
<td>7</td>
</tr>
<tr>
<td>XXIV</td>
<td>ARBITRATION</td>
<td>7</td>
</tr>
<tr>
<td>XXV</td>
<td>AMENDMENTS</td>
<td>7</td>
</tr>
<tr>
<td>XXVI</td>
<td>AGREEMENT COMPLETE</td>
<td>8</td>
</tr>
</tbody>
</table>
This Amended and Restated Joint Powers Agreement ("Agreement") is executed by and among those public entities which are signatories to this Agreement. Such parties shall hereinafter be referred to individually as "Party" or collectively, "Parties."

RECITALS

Whereas, Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (Section 6500 et seq.) permits two or more public entities, by agreement, to exercise jointly powers common to the contracting parties; and

Whereas, it is the mutual benefit of the Parties and in the public interest that the Parties join together to provide:

- Pooling of their self-insured losses caused by injury to, or disease of, a person or damage to property;
- Sharing the cost of excess insurance or reinsurance, if any, or pooling with other joint powers authorities or public entity pooling arrangement; and
- Sharing the administration of the Authority created by this document.

Whereas, each Party desires to enter into this Agreement with each of the other Parties for the purpose of joint risk sharing and/or insuring against various risk of loss jointly, rather than individually;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

AGREEMENT

This amended Agreement replaces and restates in its entirety the Agreement and any prior amendments that may exist and is effective upon approval by three-quarters of the current Parties to the Agreement.

This Agreement is made under the authority of Government Code Section 6500 et seq. between the undersigned public entities, after the governing boards of the entities determine that it is in their best interest to execute this Agreement.

ARTICLE I - PURPOSE

The purpose of this Agreement is to exercise jointly powers common to each Party by:

- Creating an authority under Government Code Section 6500 et seq., a public entity that is separate and apart from the Parties, to be known as the California Transit System Joint Powers Authority, to administer a self-insurance pool,
- Sharing losses and purchase as a group, insurance or reinsurance and participate in other joint powers authorities or other public entity pooling arrangements,
- Maintaining funds sufficient to pay the losses to which the Parties agree to share through a Coverage Program, and
- Purchasing jointly administrative and other services, including risk management, loss prevention, and legal defense in connection with the Coverage Programs.
ARTICLE II - CREATION OF THE CALIFORNIA TRANSIT SYSTEMS JOINT POWERS AUTHORITY

Pursuant to Government Code Section 6500 et seq., the Parties to this Agreement hereby create a public entity separate and apart from the Parties. This public entity created by this Agreement shall be known as the California Transit Systems Joint Powers Authority.

ARTICLE III - DEFINITIONS

1. "Authority" shall mean the California Transit Systems Joint Powers Authority.
2. "Board" or "Board of Directors" shall mean the governing board of the Authority.
3. "Coverage Programs" shall mean programs as defined and adopted by the Board which may, but need not be limited to pooled risk programs, group purchase of insurance or reinsurance, or participation in other public entity pooling programs.
4. "Coverage Program Documents" shall mean the Master Program Document defining the policies and procedures of the program and the Memorandum of Coverage defining the coverage provided by the program.
5. "Contributions" shall mean payments by Members to the Authority, for other than interest, penalties paid, or reimbursements for payments made on behalf of the Member, for which the Authority is not liable.
6. "Governing Documents" shall be those documents described in Article VII, Governing Documents.
7. "Member" or collectively "Members" shall mean a Party who is participating in a particular Coverage Program.
8. "Party" shall mean a signatory to this Agreement.
9. "Officer" shall mean an officer of the Authority as defined in Article XIII.

ARTICLE IV - PARTIES TO THIS AGREEMENT

Each Party to this Agreement certifies that it intends to, and does, contract with all other Parties who are signatories to this Agreement, and any signatories that may sign this Agreement in the future, pursuant to Article XVI. The withdrawal of any Party to this Agreement shall not affect this Agreement as respects the remaining Parties and those remaining Parties’ intent to be bound by this Agreement.

ARTICLE V - TERM OF AGREEMENT

As authorized by Government Code Section 6510, this Agreement which was originally effective May 1, 1987 shall stay in full force, as amended from time to time, until terminated in accordance with Article XX.
ARTICLE VI - POWERS OF THE AUTHORITY

The powers of the Authority shall be the powers enjoyed by the County of Nevada or, if the County of Nevada is no longer a Party to this Agreement then, the County of Siskiyou, and is authorized to do all acts necessary to fulfill the purposes of this Agreement including, but not limited to, the following:

1. Make and enter into contracts;
2. Incur debts, liabilities and obligations, but no debt, liability or obligation of the Authority is the debt, liability or obligation of any Party except as otherwise provided;
3. Acquire, hold or dispose of real and personal property;
4. Receive contributions and donations of property, funds, services and other forms of assistance from any source;
5. Assess Parties as deemed appropriate by the Board;
6. Sue and be sued in its own name;
7. Acquire, construct, manage and maintain buildings; and
8. Lease real or personal property including property of a Party, and receive, collect, invest and disburse monies.

These powers shall be executed in a manner provided by appropriate law and as set forth in this Agreement.

ARTICLE VII - GOVERNING DOCUMENTS

The attached amended Bylaws shall be deemed adopted upon the effective date of this Agreement. Thereafter, the Board of Directors may amend the Bylaws consistent with this Agreement and applicable law to govern the operations of the Authority. The Board of Directors may adopt Coverage Program Documents, consistent with this Agreement and the Bylaws. These Coverage Program Documents define the Coverage Programs, the Members’ rights and duties, the Authority’s rights and duties, and the operations of the programs. The Board may also adopt policies and procedures, consistent with this Agreement, the Bylaws, or Coverage Program Documents, to assist in the governance of the Authority’s operations and activities. The Agreement, the Bylaws, Coverage Program Documents and policies and procedures adopted by the Board shall constitute the Governing Documents of the Authority.

Unless otherwise stated, a Governing Document may be amended by a majority of the Board of Directors at a duly noticed regular or special Board meeting.

ARTICLE VIII - RESPONSIBILITIES OF THE PARTIES

The Parties to this Agreement shall have the following responsibilities:

1. To abide by the terms of this Agreement and other Governing Documents;
2. To cooperate fully with the Authority in the settlement of claims;
3. To pay Contributions, assessments, or other charges promptly to the Authority when due; and
4. To appoint a Director and one or more Alternates to the Board of Directors and to reappoint those positions upon the departure of anyone from those positions.
ARTICLE IX - POWERS RESERVED UNTO THE PARTIES

The Parties reserve unto themselves the following powers:

1. To amend this Agreement;
2. Appoint the Representatives and Alternates to the Board of Directors; and
3. To terminate the Authority in accordance with Article XX.

ARTICLE X - BOARD OF DIRECTORS

There shall be a Board of Directors to govern the affairs of the Authority. The Board of Directors shall have all the powers of the Authority except those specifically reserved to the Parties. The Board of Directors shall have the authority to create committees as deemed necessary for the operations of the Authority. The Board has the power to delegate any and all of its powers, not specifically reserved exclusively to the Board, to a committee or an Officer of the Authority.

The Board of Directors shall consist of one Director and one or more Alternates for each Party to this Agreement as provided for in the Bylaws.

ARTICLE XI - DUTIES OF THE BOARD NOT DELEGABLE

The Board may not delegate to any committee, office or person the authority to:

1. Adopt, amend or alter the Bylaws;
2. Adopt the Authority’s Annual Budget;
3. Create a Coverage Program;
4. Accept a Party to this Agreement; or
5. Expel a Party to this Agreement.

ARTICLE XII - BOARD MEETINGS AND RECORDS

The Board of Directors shall hold at least one meeting each fiscal year. Regular and special meetings may be called in accordance with the Bylaws of this Authority and applicable laws. All meetings shall be open to the public except as permitted by Government Code Section 54950 et seq. The Secretary shall keep full and complete minutes of all Board meetings.
ARTICLE XIII - OFFICERS OF THE AUTHORITY

The Board shall elect one of its members as Chairperson and one as Vice Chairperson. The Board shall appoint a Secretary. The duties of the Chairperson, Vice Chairperson and Secretary shall be defined in the Bylaws.

In lieu of the designation of a treasurer and auditor as per Government Code Section 6505.6, the Board shall elect a Treasurer, who shall have, among other duties defined in the Bylaws, the duties of the treasurer and auditor as described in Government Code Section 6505.5.

The Board may appoint other officers of the Authority as described in the Bylaws.

ARTICLE XIV - ANNUAL BUDGET

Pursuant to Government Code Section 6508, the Board shall approve a budget for any given fiscal year prior to the inception of that year.

ARTICLE XV - ADMINISTRATION OF FUNDS

The Authority shall be responsible for the strict accountability of all funds and reports of all receipts and disbursements in conformity with Government Code Section 6505. All funds of the Authority may be held in common although there shall be a separate accounting for funds of each Coverage Program.

ARTICLE XVI - NEW PARTIES

Prospective Parties may apply to the Board of Directors at any time. The Board shall have the power to accept a prospective Party, after reviewing their application. The membership shall become effective upon the Board’s approval and the signing of this Agreement, participation in all mandatory Coverage Programs, and compliance with any and all other requirements imposed upon membership by the Bylaws or other Governing Documents.

ARTICLE XVII - WITHDRAWAL

A Party to this Agreement may not withdraw as a party to this Agreement prior to being a Party for at least three full fiscal years. A Party, who has been a Party for at least three full fiscal years, may withdraw from this Agreement only on the completion of a fiscal year. The Party must provide the Chairperson written notice of intent to withdraw at least six-months prior to withdrawal. The Party may rescind its notice of intent to withdraw at any time prior to ninety-days prior to the commencement of the next fiscal year. The Board may authorize rescission of the intent to withdraw upon a Party’s request pursuant to the Bylaws at any time.
ARTICLE XVIII - EXPULSION

The Board may expel a Party to this Agreement as a Party as provided for in the Bylaws. The expelled Party shall be given written notice of such action of the Board at least ninety-days prior to the effective date of the expulsion.

ARTICLE XIX - EFFECT OF EXPULSION OR WITHDRAWAL

Pursuant to Government Code Section 6512.2, termination of any Party to this Agreement as a Party shall not be construed to be completion of the purpose of the Agreement and shall not require the return of any Contributions, payments or advances made by the Party until the Agreement is rescinded or terminated by all Parties in accordance with Article XX.

Termination of a Party to this Agreement as a Party shall not terminate its continuing responsibilities defined in any Governing Document or Coverage Program Document for the period of time in which the Party participated, including, but not limited to:

1. Cooperate fully with the Authority in the investigation and settlement of a claim;
2. Pay any Contributions, retentions or deductibles, assessments or other charges which are due and payable; and
3. Provide any statistical or loss experience data and other information as may be necessary for the Authority to carry out the purpose of this Agreement.

ARTICLE XX - TERMINATION AND DISTRIBUTION

This Agreement may be terminated at any time with written consent of three-fourths of the Parties; provided, however, that this Agreement and the Authority shall exist for the purpose of disposing of all claims, distribution of assets and any other functions necessary to wind up the affairs of the Authority. The Board shall be vested with all the powers of the Authority for the purposes of winding down and dissolving the business affairs of the Authority, including the power to assess past and present Parties in accordance with Coverage Program Documents.

In accordance with Government Code Section 6512, all assets of the Authority shall be distributed among those who were Parties within ten years of termination, in proportion to the Parties’ Contributions. The Board shall determine when claims and liabilities are sufficiently realized as to not jeopardize the payment of any claim or liability that may arise in the future.

ARTICLE XXI - LIABILITY AND INDEMNIFICATION

Pursuant to Government Code Section 6508.1, the debts, liabilities and obligations of the Authority shall not constitute debts, liabilities or obligations of any Party, except to the extent and in the proportions, imposed by the Bylaws or other Governing Documents. Each Party is independent of every other Party and of the Authority and not the agent of any Party or of the Authority. In contemplation of the provisions of Section 895.2 of the California Government Code, imposing certain tort liability jointly
upon public entities, solely by reason of a joint powers agreement as defined in Section 895 of that code, each Party, as between each other, pursuant to the authorization contained in Section 895.4 and 895.6 of that code, does hereby assume the full liability imposed upon it, or any of its officers, agents, or employees by law for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, to the same extent that such liability would be imposed in the absence of Section 895.2 of the California Government Code. To achieve the above-stated purpose, each Party shall indemnify and hold harmless each other Party for any loss, costs, or expense that may be imposed upon such other Party solely by virtue of Section 895.2. The provisions of Section 2778 of the California Civil Code are made a part of this Agreement as if set forth fully in this Agreement.

The members of the Board of Directors and the Officers and employees of the Authority shall act in good faith and in the best interests of the Authority in the performance of their duties. The members of the Board of Directors and Officers and employees shall be liable for an act or omission within the scope of their employment with the Authority as a public entity only in the event that they act or fail to act because of actual fraud, corruption, or malice. No member shall be liable for any actions taken or omissions by another member of the Board. Funds of the Authority shall be used to defend and indemnify members of the Board, Officers, and employees for any act or omission pursuant to the provisions of the Government Code Section 910 to 996.6, inclusive. The Authority may purchase insurance covering acts or omissions of the Board of Directors, Officers, and employees.

ARTICLE XXII - NOTICES

Notices to any or all Parties shall be sufficient if mailed to their respective addresses on file with the Authority. Notice to the Authority shall be sufficient if mailed to the official address of the Authority as established by Resolution. Notices of meetings may be given by electronic mail to the respective electronic mail addresses on file with the Authority, which notice shall be deemed sufficient notice.

ARTICLE XXIII - PROHIBITION AGAINST ASSIGNMENT

No Party may assign any right, claim, or interest it may have under this Agreement, and no creditor, assignee, or third party beneficiary of the Party shall have any right, claim or title to any part, share, interest, fund, premium, or asset of the Authority.

ARTICLE XXIV - ARBITRATION

Any controversy between the Parties hereto arising out of this Agreement shall be submitted to arbitration, and such arbitration shall comply with and be governed by the provisions of the California Arbitration Act, Sections 1280 through 1294.2 of the California Code of Civil Procedure.

ARTICLE XXV - AMENDMENTS

This Agreement may be amended at any time by approval of two-thirds of the Parties.
ARTICLE XXVI - AGREEMENT COMPLETE

The foregoing constitutes the full and complete agreement of the Parties. There are no oral understandings or agreements not set forth in writing herein.

In Witness Whereof, the undersigned Party hereto has executed this Agreement on the date indicated below:

Date: 7/1/2019

By: D. Stephen Schwabauer
Printed Name of Authorized Signor

Signature of Authorized Signor
City Manager
Title of Authorized Signor
City of COD
Name of Agency

Approved as to Form:

JANICE D. MAGDICH
City Attorney
CALIFORNIA TRANSIT SYSTEMS

JOINT POWERS AUTHORITY

BYLAWS

Effective – 2019
TABLE OF CONTENTS

BYLAWS

CALIFORNIA TRANSIT SYSTEMS JOINT POWERS AUTHORITY

ARTICLE I - DEFINITIONS ........................................................................................................... 1
ARTICLE II - OFFICES.............................................................................................................. 1
ARTICLE III - BOARD OF DIRECTORS ................................................................................... 1
ARTICLE IV - ELECTION AND DUTIES OF THE OFFICERS .................................................. 2
ARTICLE V - OVERSIGHT COMMITTEE .................................................................................. 3
ARTICLE VI - ADDITIONAL COMMITTEES .............................................................................. 4
ARTICLE VII - FISCAL YEAR .................................................................................................... 5
ARTICLE VIII - BUDGET ........................................................................................................... 6
ARTICLE IX - RECEIPT AND DISBURSEMENT OF FUNDS ..................................................... 6
ARTICLE X - PARTY'S RESPONSIBILITIES ............................................................................. 6
ARTICLE XI - COVERAGE PROGRAMS .................................................................................... 6
ARTICLE XII - PENALTY FOR MONEY IN ARREARS ............................................................... 7
ARTICLE XIII - RIGHT OF OFFSET ......................................................................................... 7
ARTICLE XIV - NEW PARTIES TO THE AGREEMENT ............................................................. 7
ARTICLE XV - HIERARCHY OF GOVERNING DOCUMENTS .................................................. 7
ARTICLE XVI - AMENDMENTS ............................................................................................... 7
APPENDIX A - PRINCIPAL EXECUTIVE OFFICE ................................................................. 8
BYLAWS

For the regulation of the California Transit Systems Joint Powers Authority, except as otherwise provided by statute or the Joint Powers Agreement creating the California Transit Systems Joint Powers Authority, also known as the California Transit Indemnity Pool ("CalTIP").

ARTICLE I - DEFINITIONS

The terms in these Bylaws have the same definitions as those given in the Joint Powers Agreement Creating the California Transit Systems Joint Powers Authority, unless otherwise specified herein.

A. "Master Program Document" is a document issued by the Authority specifying the rights and obligations of the Authority and the Members in the Coverage Program as well as the procedures and operations of the program.

B. "Memorandum of Coverage" is the document issued by the Authority to the Members in a Coverage Program, specifying the type, term, and amount of coverage provided by the Authority.

ARTICLE II - OFFICES

The principal executive office for the transaction of business of the Authority is hereby fixed and located at the address shown in Appendix A. Notwithstanding Article XVI, the Board shall have the authority to change the location of the principal executive office from time to time by a simple majority vote of the Board of Directors present at a duly authorized meeting and with 30 days' prior notice of such change. A revised Appendix A will be distributed to all then current Parties to the Agreement. Other business offices may at any time be established by the Board at any place or places.

ARTICLE III - BOARD OF DIRECTORS

A. GOVERNING BOARD

In accordance with Article X of the Agreement, the Board of Directors shall be the governing body of the Authority. Each Party's governing board shall appoint, by resolution, an officer or employee of the Party to be the Director and one or more officers or employees of the Party to act as Alternate on the Board of Directors of the Authority. Such appointment shall not take effect until such resolution is received by the Authority at its executive office as defined in Article II above, and the appointees have complied with the Authority's Conflict of Interest Policy. Voting members of the Board of Directors shall be the Directors, or in the case of their absence, an Alternate. Alternates shall have all the same rights to hold office or sit on committees as a Director. No more than one alternate may exercise a Party's voting rights at a meeting.

The Board of Directors shall provide policy direction to the committees, the Officers, and any employees or contracted service providers of the Authority. The Board may delegate any and all powers except those specifically reserved onto the Board or specifically requiring a vote by the Board of Directors. The Board cannot delegate the following powers:

1. By a three-fourths vote of the Directors present and voting:
   a. Expel an existing member from the Authority.
2. By a two-thirds vote of the Directors present and voting:
   a. Accept a new Party to this Agreement.

3. By a majority vote of the Directors present and voting:
   a. Amend these Bylaws pursuant to Article XVI of these Bylaws;
   b. Create or terminate any self-insurance, group purchase insurance program, or
      Coverage program;
   c. Remove an officer of the Authority or committee member;
   d. Adopt an operating budget for each of the Authority's fiscal years;
   e. Authorize a payment of a dividend, or charge an assessment under a retrospective
      adjustment;
   f. Change the location of the principal executive office; or
   g. Authorize a cash assessment.

B. MEETINGS

All regular and special meetings of the Board of Directors shall be conducted in accordance with the
Ralph M. Brown Act (Government Code Section 54950) as it now exists or may be amended from time
to time. The Secretary shall cause notice to be given of all meetings and cause minutes to be prepared
and distributed to the Board of Directors. The Board of Directors cannot conduct business unless a
quorum is present at the meeting. A quorum consists of a majority of the Directors, or in the absence of
a Director, the Alternate, that have complied with the requirements of Article III, A, and vacancies shall
not be counted in determining a quorum. An official set of minutes of all Board meetings shall be kept at
the principal executive offices of the Authority as defined in Article II.

All matters duly noticed and within the purview of the Board of Directors may be decided by a simple
majority of those Directors voting at a regular or special meeting, unless the Governing Documents
prescribe otherwise. Where the matter before the Board affects a particular Coverage Program, other
than the financing of the Program, only those Directors representing Parties participating in the
Coverage Program may vote; provided, however, that in the absence of a quorum of Coverage Program
participant representatives the vote shall be by the Board of Directors.

The Board shall have at least one regular meeting a fiscal year. The date and time of such meeting and
all other regular meetings of the Board for the next fiscal year shall be established by resolution of the
Board adopted at the last regular Board meeting of the then current fiscal year.

Pursuant to Government Code Section 54956, a special meeting of the Board of Directors may be called
by the Oversight Committee or by the Chairperson, with 24 hours' notice, stating the time and place of
such meeting and the matter to be discussed. Such notice may be delivered personally, by way of
electronic transmission (other than voice communication) or by mail. Notice by mail must be received at
least 24 hours prior to the meeting.

All meetings may be postponed or cancelled by the Chairperson with at least 24 hours' prior notice.

ARTICLE IV - ELECTION AND DUTIES OF THE OFFICERS

A. ELECTION OF THE OFFICERS

The Officers of the Board of Directors shall be the Chairperson, Vice Chairperson, Treasurer, and
Secretary. The Officers shall be elected in the following manner:

1. Each Director may place any member of the Oversight Committee in nomination for the offices of Chairperson and Vice Chairperson. Each Director may place any member of the Board in nomination for the office of Treasurer.
2. Each Director shall cast one vote for the candidate of his or her choice for each office.
3. The terms of office of the Chairperson, the Vice Chairperson, and Treasurer shall be two years, commencing during the even numbered years. The Officers will begin serving terms upon the beginning of the fiscal year immediately following the election. The terms as Officers will end on the last day of a fiscal year. No officer may serve more than three consecutive terms in the same office. An exception may be made for the Treasurer’s office if there are no other qualified Directors to serve.
4. Elections will be held whenever there is an Officer vacancy to fill the unexpired term.
5. The Office of the Secretary of the Board of Directors shall be the General Manager unless a separate Secretary of the Board of Directors is appointed by the Board of Directors.
6. The Office of Secretary has no set term but continues until there is a new General Manager or the Board appoints another as Secretary.

B. DUTIES OF THE OFFICERS

The duties of the Chairperson shall be to preside at all meetings of the Board and to perform such other duties as the Board may specify. Upon the death, incapacity, or vacancy in the office of the Chairperson, the Vice Chairperson shall succeed to such office automatically, subject to ratification by the Board at its next meeting, at which time the Board shall also elect a new Vice Chairperson.

The duties of the Vice Chairperson shall be to act as the Chairperson in the absence of the Chairperson and to perform such other duties as the Board may specify.

The duties of the Treasurer shall be those specified in the Agreement, duties imposed on the Treasurer and Controller/Auditor as defined in Section 6505.5 and 6506 of the California Government Code and other duties as required by law or as specified by the Board. The Authority, at its own expense, shall maintain a bond covering the Treasurer and any other person having contact with funds of the Authority in an amount not less than $250,000.

The duties of the Secretary shall be to cause minutes to be kept and to perform such other duties as the Board may specify.

ARTICLE V - OVERSIGHT COMMITTEE

There shall be an Oversight Committee consisting of not less than seven nor more than nine members from the Board of Directors. The Board of Directors shall elect each member to a term of two-years concurrent with the fiscal year of the Authority, and commencing during the even numbered years. The Board of Directors shall determine the number of members to serve for the following two years at the time of each election. The elected members will begin serving terms upon the beginning of the fiscal year immediately following the election. The terms as elected members will end on the last day of a fiscal year. There is no maximum number of terms a member can serve. A vacancy shall be filled by an election by the Board of Directors at its next meeting.

The Board Chairperson shall be the Chair of the Oversight Committee. The Board Vice Chairperson shall be the Vice Chair of the Oversight Committee.
The Oversight Committee shall have the full authority of the Board of Directors except that authority for which the Board is precluded from delegating. The Oversight Committee shall review disputes between a Party and the Authority, and make a determination of appropriate action, regarding coverage or the administration of the Authority, enter into contracts where such authority has not been delegated to another, contract for a financial audit and for general legal services. The Oversight Committee shall monitor the performance and the operations of the Authority and Board policy and make recommendations of change where the Committee deems appropriate.

A majority of the members of the Oversight Committee shall constitute a quorum. An action by the Oversight Committee shall require a majority vote of those in attendance. Vacancies shall not be counted in determining a quorum.

ARTICLE VI - ADDITIONAL COMMITTEES

In addition to the Oversight Committee, there shall be a Member Services Committee and a Finance and Administration Committee.

A. MEMBER SERVICES COMMITTEE

The Member Services Committee shall consist of not less than five nor more than nine members of the Board of Directors, at the discretion of the Oversight Committee. The members are to be elected by the Oversight Committee. The terms of office shall be two years, with half the elected positions incepting on fiscal years starting on even numbered years and half the elected positions incepting on fiscal years starting on odd numbered years, if there are an even number of committee members. If the committee has an odd number of members, then the majority of the terms (half plus one) will incept on even years and the remaining members’ terms incept on odd years. There is no maximum number of terms a member can serve. A vacancy shall be filled by an election by the Oversight Committee.

The Chairperson of the Member Services Committee shall serve a one-year term concurrent with the fiscal year of the Authority. Upon the completion of the term of the Committee Chair, the Committee Vice Chairperson shall become the Committee Chair. The Member Services Committee shall elect a new Vice Chairperson at its first meeting of the fiscal year of the Authority in which the Committee Chairperson will be serving. In the absence of the Committee Chairperson, the Committee Vice Chairperson shall assume the role of Chairperson. If the Committee Chairperson has resigned or becomes incapacitated, the Committee Vice Chairperson shall assume the position as Chairperson and the Committee shall elect a new Vice Chairperson.

The Member Services Committee shall review applications for membership and make recommendations to the Board of Directors, underwrite Members of a Coverage Program, review claims made against a Coverage Program and take action as needed, including providing settlement authority, and implement safety and loss control strategies.

A majority of the members of the Member Services Committee shall constitute a quorum. An action by the Member Services Committee shall require a majority vote of those in attendance. Vacancies shall not be counted in determining a quorum.
B. FINANCE AND ADMINISTRATION COMMITTEE

The Finance and Administration Committee shall consist of not less than five nor more than nine members of the Board of Directors, at the discretion of the Oversight Committee. All but one of the members is to be elected by the Oversight Committee, and the remaining member being the Treasurer, who shall have all the same rights as the other members. The terms of office shall be two years, with half the elected positions incepting on fiscal years starting on even numbered years and half the elected positions incepting on fiscal years starting on odd numbered years, if there are an even number of committee members. If the committee has an odd number of members, then the majority of the terms (half plus one) will incept on even years and the remaining members’ terms incept on odd years. There is no maximum number of terms a member can serve. A vacancy shall be filled by an election by the Oversight Committee.

The Chairperson of the Finance and Administration Committee shall serve a one-year term concurrent with the fiscal year of the Authority. Upon the completion of the term of the Committee Chair, the Committee Vice Chairperson shall become the Committee Chair. The Finance and Administration Committee shall elect a new Committee Vice Chairperson at its first meeting of the fiscal year of the Authority in which the Committee Vice Chairperson shall be serving. In the absence of the Committee Chairperson, the Committee Vice Chairperson shall assume the role of Chairperson. If the Committee Chairperson has resigned or becomes incapacitated, the Committee Vice Chairperson shall assume the position as Chairperson and the Committee shall elect a new Vice Chairperson.

The Finance and Administration Committee shall review current financial conditions of the Authority and provide direction in the development of the budget for the coming fiscal year, review the allocation of revenues in the budget and make recommendations for change to the Board of Directors, and recommend to the Board the appropriate reserves for contingencies.

A majority of the members of the Finance and Administration Committee shall constitute a quorum. An action by the Finance and Administration Committee shall require a majority vote of those in attendance. Vacancies shall not be counted in determining a quorum.

C. OTHER COMMITTEES

The Board of Directors may establish additional standing or ad hoc committees and delegate authority to such committees to accomplish certain tasks. Members of a committee shall remain members of that committee until such time as the Board appoints new members to the committee, the committee is dissolved by the Board, or the purpose has been completed and there are no more responsibilities assigned to the committee.

A quorum of a committee created under this section shall be a majority of the members of the committee, without counting any vacant positions. All actions by such committee shall require a majority vote of those in attendance, unless otherwise specifically stated.

Each committee shall appoint a chairperson who shall call the meetings.

ARTICLE VII – FISCAL YEAR

The fiscal year shall commence on May 1 of each year and conclude on April 30 of the following year. Revenue and expenses shall be recorded on a full accrual basis.
ARTICLE VIII - BUDGET

A budget shall be adopted prior to the inception of the fiscal year. The Budget shall separately show the following:

1. General and administrative costs;
2. Contributions, projected interest income and other income; and
3. The actuarially estimated claims and allocated claims adjustment costs.

ARTICLE IX - RECEIPT AND DISBURSEMENT OF FUNDS

Payments to the Authority shall be received at its principal executive office. The Treasurer or other designee shall safeguard and invest funds in accordance with the Authority's current Investment Policy.

All disbursements (via check or electronic funds transfer) issuing funds of the Authority (for other than the payment of claims) shall require the signatures or approvals of the Treasurer and Chairperson, Vice Chairperson, or other Director or designee as approved by the Board. A register of all checks or electronic funds transfers issued since the last Board meeting shall be provided at each Board meeting and approved by the Board.

ARTICLE X - RESPONSIBILITIES OF THE PARTY

The Authority is a participatory organization with the goal of reducing exposures to losses. To facilitate this goal, each Party agrees to perform the following functions in discharging its responsibilities:

1. Abide by all the rules and obligations imposed upon the Party by the Agreement, these Bylaws, any administrative policies and procedures adopted, any Master Program Documents and Memoranda of Coverage for any and all Coverage Programs to which the Member participates;
2. Appoint a Director and at least one Alternate to the Board;
3. Participate in the Liability Coverage Program;
4. Remit Contributions and other amounts due within 30 days of the date of invoice;
5. Cooperate fully with the Authority in reporting, and in determining the cause of claims and in the settlement of such claims; and
6. Upon withdrawal from the Authority, the Party shall remain responsible for any losses and any other costs which it has incurred while a Member of a Coverage Program and a Party to the Agreement.

ARTICLE XI - COVERAGE PROGRAMS

All Parties to the Agreement shall participate in the Liability Coverage Program. Participation in any other Coverage Program is at the discretion of the Party.

Each Coverage Program shall have a Master Program Document that describes the rights and duties of the Authority, the Member, and the process by which the Coverage Program will be administered.
ARTICLE XII - PENALTY FOR MONEY IN ARREARS

The penalty for Contributions not paid to the Authority within 30 days of the date of the invoice shall be the prime interest rate plus two points on the amount of Contributions owed. The prime rate used for penalty calculation will be the prime rate in effect 30 days after the invoice date at the commercial bank which holds funds of the Authority. This penalty is subject to a minimum amount established by resolution of the Board of Directors.

On appeal to the Oversight Committee, the Committee may waive the late payment penalty if the Party shows a hardship and presents a plan for repayment, if not already paid. Alternatively, or in addition, the Oversight Committee may prescribe or approve a payment plan for the Party other than those outlined in the Governing Documents of the Authority.

ARTICLE XIII - RIGHT OF OFFSET

The Authority may offset any moneys owed to a Party, with amounts owed by the Party to the Authority whether the amounts owed by the Party are Contributions or any other amounts owed.

ARTICLE XIV - NEW PARTIES TO THE AGREEMENT

A qualified public entity requesting to be a Party to the Authority shall complete an application form and provide other information and documentation requested by the Authority, including that required by any Coverage Program in which the prospective Party would like to participate.

Each prospective Party will submit a non-refundable application fee, as determined by the Board, to defray processing costs along with its completed application form. The prospective Party shall be presented in summary to the Board of Directors for a vote in accordance with the Agreement.

ARTICLE XV - HIERARCHY OF GOVERNING DOCUMENTS

The Agreement forming the Authority shall be superior to these Bylaws and any provisions in these Bylaws that are contradictory or in conflict with any provisions in the Agreement shall be interpreted to be consistent with the Agreement or be voided to the extent it conflicts or is contradictory. The Board shall adopt Master Program Documents, and policies or procedures. However, such other documents shall be consistent with the Agreement and these Bylaws, and to the extent they are not consistent, those documents will be superseded by the Agreement and Bylaws.

ARTICLE XVI - AMENDMENTS

These Bylaws may be amended by a majority vote of the Directors present and voting, provided that any amendment is compatible with the purposes of the Authority, is not in conflict with the Agreement, and has been submitted to the Board at least 30 days in advance. Any such amendment shall be effective immediately, unless otherwise designated.
APPENDIX A - PRINCIPAL EXECUTIVE OFFICE

The principal executive office for the transaction of business of the Authority is hereby fixed and located at:

1750 Creekside Oaks Drive, Suite 200
Sacramento, CA 95833
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE THE
AMENDED JOINT POWERS AGREEMENT WITH THE
CALIFORNIA TRANSIT INDEMNITY POOL

WHEREAS, the California Transit Indemnity Pool (CalTIP) was created in 1987 to allow transit agencies to pool resources for liability coverage, vehicle physical damage coverage, risk management services, and a variety of other services; and

WHEREAS, CalTIP has proposed amendments to the existing Joint Powers Agreement (JPA) and its bylaws that address ongoing challenges with quorum requirements and allow the CalTIP Board to make decisions and carry forth initiatives in a more expeditious manner for the benefit of the organization; and

WHEREAS, the amended JPA must be approved by the governing bodies of at least three-fourths of the CalTIP members; and

WHEREAS, staff recommends authorizing the City Manager to execute the amended Joint Powers Agreement with the California Transit Indemnity Pool.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to execute the amended Joint Powers Agreement with the California Transit Indemnity Pool.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-____
CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Execute a Three-Year Agreement Plus Two One-Year Options With Kronos Inc., of Lowell, Mass., for a Cloud-Based Time Management and Scheduling Software (Not To Exceed $51,280)

MEETING DATE: July 17, 2019

PREPARED BY: Fire Chief

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to execute a three-year agreement plus two one-year options with Kronos Inc., of Lowell, Mass., for a cloud-based time management and scheduling software in an amount not to exceed $51,280.

BACKGROUND INFORMATION: Since 2007, the Lodi Fire Department has utilized Telestaff software for time management and scheduling shifts. All staff have been trained on this software system that is used for taking time off, calling for overtime, tracking resources and personnel.

Telestaff is hosted on an internal server in Lodi. This has created several challenges, most notably those caused by the latest City-wide network incident, which took Telestaff completely offline. This showed the need for a second server, as well as a license to utilize Telestaff in a test environment for development and training. Rather than rely on Information Technology Division staff for these added functions, staff sees a benefit in moving to Telestaff’s cloud-based service, which includes automatic program updates and a test database. Telestaff’s cloud-hosted service also offers two redundant servers so that if one server fails, our information will be available on the other within five minutes.

The proposed agreement is for three years, with the option for two one-year extensions. The cost will be a minimum of $32,280 for three years, or $51,280 if the City opts to extend the agreement to five years, which includes four-percent increases in the fourth and fifth. Funding for the first year was appropriated in the Fiscal Year 2019/20 budget.

FISCAL IMPACT: Additional cost of $14,040 for the first year (start-up $4,920 and service $9,120 annually for the first three years) for a total not to exceed amount of $51,280 over the five years. Result is increased productivity and less strain on Information Technology resources.

FUNDING AVAILABLE: Fire Administration Account No. 10040001.72369.

Andrew Keys, Deputy City Manager/Internal Services Director

Gene Stoddart, Fire Chief

APPROVED: __________________________________
Stephen Schwabauer, City Manager
**Order Form - Workforce Central SaaS for SMB**

<table>
<thead>
<tr>
<th>Item</th>
<th>License/Qty</th>
<th>PEPM</th>
<th>Monthly Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce TeleStaff Enterprise v6</td>
<td>95</td>
<td>$8.00</td>
<td>$760.00</td>
</tr>
<tr>
<td>Workforce TeleStaff Global Access v6</td>
<td>95</td>
<td>$0.00</td>
<td>Included</td>
</tr>
<tr>
<td>Workforce TeleStaff Institution Focus v6</td>
<td>95</td>
<td>$0.00</td>
<td>Included</td>
</tr>
<tr>
<td>Workforce TeleStaff Contact Manager v6</td>
<td>95</td>
<td>$0.00</td>
<td>Included</td>
</tr>
<tr>
<td>Workforce TeleStaff Gateway Manager v6</td>
<td>1</td>
<td>$0.00</td>
<td>Included</td>
</tr>
<tr>
<td>Workforce TeleStaff Bidding v6</td>
<td>95</td>
<td>$0.00</td>
<td>Included</td>
</tr>
</tbody>
</table>

**CLOUD SERVICES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Qty</th>
<th>Unit Price</th>
<th>Monthly Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Read-Only ODBC Access to WFC/HR Database</td>
<td>1</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**KRONOS SMB PROFESSIONAL/EDUCATIONAL SERVICES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Duration</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>KnowledgePass SaaS WFC SaaS</td>
<td>Included</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

**BILL AS YOU GO SERVICES**

<table>
<thead>
<tr>
<th>Item</th>
<th>Qty</th>
<th>Rate</th>
<th>Billing Role</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>T5G Professional Services</td>
<td>5</td>
<td>$180.00</td>
<td>Project Manager</td>
<td>$900.00</td>
</tr>
<tr>
<td>T5G Professional Services</td>
<td>8</td>
<td>$180.00</td>
<td>Solutions Consultant</td>
<td>$1,440.00</td>
</tr>
<tr>
<td>T5G Technical Services</td>
<td>12</td>
<td>$215.00</td>
<td>Technology Consultant</td>
<td>$2,580.00</td>
</tr>
</tbody>
</table>

**Total Price** $4,920.00

---

Kronos will provide Customer read-only ODBC access into Customer’s production and non-production databases for Timekeeper/HRMS over secure connection (e.g. VPN). Customer is responsible for establishing this secure connection to the Kronos Cloud and additional fees for that connection may apply. Kronos may, but is not obligated to, limit or block Customer’s database read-only ODBC queries in order to prevent failure of the database due to overloads. Kronos will not pay SLA credits for any Outage that is the result of overloading the database. Overall performance may be limited during peak processing periods, and Customer may need to limit resource intensive read-only ODBC queries to off-peak periods. Customer acknowledges that read-only ODBC over a long distance secure connection is not a reliable protocol for it does not have retry logic built-in to handle connectivity issues. Kronos will not be responsible for any changes required to Customer’s internal systems to account for limitations of read-only ODBC protocol.

Customer agrees that in consideration of the foregoing and discounted pricing, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Customer is giving up its right to use Customer’s existing Kronos Workforce TeleStaff software on a perpetual basis. Customer’s existing Kronos Workforce TeleStaff software will remain in effect and subject to the license and maintenance agreement for such software for a period of (ninety (90) days) from signature of this document by both parties, at which time Customer’s license in such software shall terminate. The Kronos Workforce Central Software as a Service Terms and Conditions as agreed upon by Customer and Kronos apply to the Applications set forth on this order. As of the Billing Start Date, Kronos will credit any pre-paid but unused fees for support, maintenance, and hosting (if applicable) for such perpetual software licenses to be applied against amounts owed by Customer to Kronos hereunder until such pre-paid but unused fees are expended.

The Workforce TeleStaff bundle on this Order Form includes: Workforce TeleStaff Enterprise, Workforce TeleStaff Global Access, Workforce TeleStaff Institution Focus, Workforce TeleStaff Contact Manager and Workforce TeleStaff Bidding, Workforce TeleStaff Gateway Manager, and Workforce TeleStaff Gateway Manager Interface are licensed on per quantity basis and not a per employee basis and only need to be licensed once. The costs of any individual Application(s) included in the Workforce TeleStaff Bundle (i.e., Workforce TeleStaff Institution Focus) will be set forth on a mutually agreed upon Order Form based on Kronos’ then current list price.
<table>
<thead>
<tr>
<th>Item</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Application Fee</td>
<td>$760.00</td>
</tr>
<tr>
<td>Monthly Cloud Services Fee</td>
<td>$0.00</td>
</tr>
<tr>
<td><strong>Total Monthly Service Fees</strong></td>
<td><strong>$760.00</strong></td>
</tr>
<tr>
<td>Bill As You Go Services</td>
<td>$4,320.00</td>
</tr>
<tr>
<td><strong>Total Bill As You Go</strong></td>
<td><strong>$4,920.00</strong></td>
</tr>
</tbody>
</table>

**Lodi Fire**

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________

**Kronos Incorporated**

By: ____________________________
Name: __________________________
Title: __________________________
Date: __________________________

Kronos | Time Attendance - Scheduling - Absence Management - HR & Payroll - Hiring - Labor Analytics

Kronos Incorporated 900 Chelmsford Lowell, MA 01851 (800) 225-1561 (978) 250-9800 www.Kronos.com
Professional Services Work Order

Customer Name: Lodi Fire
Customer Contact: Ron Penix
Email Address: rpenix@lodi.gov

Opportunity ID: ________________________
SID: 6105530
Phone Number: 209-333-5565
Currency: USD

Professional Services Objective/Outcome Deliverable

Technical Upgrade Service Scope to the Kronos Cloud
* Cloud overview
* Installation of Workforce TeleStaff (1) PROD and (1) DEV

Assumptions
* All services delivered remotely.
* Customer must currently be WFTS v6
* Each upgrade is considered as “like-for-like” and does not include customizations, configuration, new features or functionality other than what is required by the new version.
* Customer is responsible for recreating the tasks in excess of (5).
* Customer is responsible for testing the upgraded database in the development environment, not to exceed a (4) week time period and should mimic current end to end persona-based tasks.
* The project will be closed after eight weeks if customer testing stalls and forward progress toward go live on the upgraded database ceases.

Any additional time required to assist customer will be managed through a mutually agreed upon change order signed by both parties.

Budget

<table>
<thead>
<tr>
<th>Professional Services Part #</th>
<th>Billing Role</th>
<th>Contract Type</th>
<th>UOM</th>
<th>Qty</th>
<th>Rate</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>9990057-PRO</td>
<td>Project Manager</td>
<td>Time and Materials</td>
<td>Hours</td>
<td>5</td>
<td>$180.00</td>
<td>$900.00</td>
</tr>
<tr>
<td>9990057-PRO</td>
<td>Solution Consultant</td>
<td>Time and Materials</td>
<td>Hours</td>
<td>8</td>
<td>$180.00</td>
<td>$1,440.00</td>
</tr>
<tr>
<td>9990079-PRO</td>
<td>Technology Consultant</td>
<td>Time and Materials</td>
<td>Hours</td>
<td>12</td>
<td>$215.00</td>
<td>$2,580.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

Total Professional Services $4,920.00

Sales Executive: Celeste Patzold
Author: Celeste Patzold
Create Date: 5/20/2019
Expiration Date: 9/20/2019
WORKFORCE CENTRAL - SOFTWARE AS A SERVICE
TERMS AND CONDITIONS

Customer and Kronos Incorporated agree that the terms and conditions set forth below shall apply to the Kronos supply of the commercially available version of the Workforce Central SaaS Applications in Kronos’ hosting environment, the services related thereto, and the sale or rental of Equipment (if any) specified on a Kronos Order Form. The Applications described on the Order Form shall be delivered by means of Customer’s permitted access to the Kronos infrastructure hosting such Applications.

Kronos and Customer hereby further agree that Kronos and/or its direct and indirect majority owned subsidiaries may enter into orders with Customer and/or its direct and indirect majority owned subsidiaries subject to the terms and conditions of this Agreement. By signing and entering into an Order Form that expressly references this Agreement, each such subsidiary of Kronos and/or Customer will be deemed to have agreed to be bound by the terms and conditions of this Agreement and all references in this Agreement to “Kronos” shall be references to the applicable Kronos entity entering into the order, and all references in this Agreement to “Customer” shall be references to the applicable Customer entity entering into the order.

1. DEFINITIONS

“Acceptable Use Policy” means the Kronos policy describing prohibited uses of the Services as further described at: https://www.kronos.com/policies/acceptable-use

“Agreement” means these terms and conditions and the Order Form(s).

“Application(s)” or “SaaS Application(s)” means those Kronos software application programs set forth on an Order Form which are made accessible for Customer to use under the terms of this Agreement.

“Billing Start Date” means the date the billing of the Monthly Service Fees commences as indicated on the applicable Order Form. Notwithstanding, Implementation Services provided on a time and material basis are billed monthly as delivered. The Billing Start Date of the Monthly Service Fees for any Services ordered by Customer after the date of this Agreement which are incremental to Customer’s then-existing Services shall be the date the applicable Order Form is executed by Kronos and Customer.


“Confidential Information” means any non-public information of a party or its Suppliers relating to such entity’s business activities, financial affairs, technology, marketing or sales plans that is disclosed pursuant to this Agreement and reasonably should have been understood by the receiving party, because of (i) legends or other markings, (ii) the circumstances of disclosure or (iii) the nature of the information itself, to be proprietary or confidential to the disclosing party or its Suppliers.

“Customer Content” means all content Customer, or others acting on behalf of or through Customer, posts or otherwise inputs into the Services.

“Documentation” means user manuals published by Kronos relating to the features and functionality of the Applications.

“Equipment” means the Kronos equipment specified on an Order Form.

“Implementation Services” means those professional and educational services provided by Kronos to set up the cloud environment and configure the Applications. Unless otherwise set forth on an Order Form as "a la carte" services (supplemental fixed fee, fixed scope services) or "bill as you go" services (time and material services described in a Statement of Work), Kronos will provide, as part of the Monthly Service Fee for the Applications, the fixed fee, fixed scope Implementation Services described in the Services Implementation Detail set forth at: https://www.kronos.com/wfc-saas-implementation-guideline-details-flat-fee

“Initial Term” means the initial billing term of the Services as indicated on the Order Form. The Initial Term commences on the Billing Start Date. Customer may have access to the Services prior to the commencement of the Initial Term.

“KnowledgePass Content”/“KnowledgePass Education Subscription” have the meanings ascribed in Section 7.5.

“Monthly Service Fee(s)” means the monthly fees described in an Order Form. Monthly Service Fees include fees for usage of the Applications and the Services, Cloud Services as applicable, and Equipment rental, if any. Billing of the Monthly Service Fee(s) commences on the Billing Start Date.
“Order Form” means an order form mutually agreed upon by Kronos and Customer setting forth the items ordered by Customer and to be provided by Kronos, including without limitation the prices and fees to be paid by Customer.

“Personally Identifiable Data” means information concerning individually identifiable employees of Customer that is protected against disclosure under applicable law or regulation.

“Renewal Term” means the renewal billing term of the Services as indicated on the Order Form.

“Services” means (i) the Cloud Services, (ii) accessibility to the commercially available version of the Applications by means of access to the password protected customer area of a Kronos website, and all such services, items and offerings accessed by Customer therein, and (ii) the Equipment rented hereunder, if any.

“Statement of Work”, “SOW”, “Services Scope Statement” and “SSS” are interchangeable terms referring to a written description of the Implementation Services mutually agreed upon by Kronos and Customer and set forth as “bill as you go” services on the Order Form.

“Supplier” means any contractor, subcontractor or licensor of Kronos providing software, equipment and/or services to Kronos which are incorporated into or otherwise related to the Services. Kronos may at its sole discretion replace a Supplier, provided that a change to Supplier will not have a materially adverse effect on the Services delivered by Kronos under this Agreement.

“Term” means the Initial Term and any Renewal Terms thereafter.

“Training Points” has the meaning ascribed to it in Section 7.6 below.

2. TERM

2.1 Billing for the Services commences on the Billing Start Date, and continues for the Initial Term or until terminated in accordance with the provisions hereof. At the expiration of the Initial Term and each Renewal Term as applicable, the Services shall automatically renew each year for an additional Renewal Term until terminated in accordance with the provisions hereof.

2.2 Either party may terminate the Services and this Agreement to be effective at the expiration of the then current Term upon no less than 60 days prior written notice.

2.3 Either party may terminate the Services and the Agreement upon a material breach of the Agreement by the other party if such breach is not cured within 15 days after receipt of written notice.

2.4 In the event that either party becomes insolvent, makes a general assignment for the benefit of creditors, is adjudicated a bankrupt or insolvent, commences a case under applicable bankruptcy laws, or files a petition seeking reorganization, the other party may request adequate assurances of future performance. Failure to provide adequate assurances, in the requesting party’s reasonable discretion, within 10 days of delivery of the request shall entitle the requesting party to terminate the Agreement immediately upon written notice to the other party.

2.5 If the Agreement is terminated for any reason:

(a) Customer shall pay Kronos within thirty (30) days of such termination, all fees accrued and unpaid under this Agreement prior to the effective date of such termination, provided however, if Customer terminates for material breach of the Agreement by Kronos, Kronos shall refund Customer any pre-paid fees for Services not delivered by Kronos;

(b) Customer’s right to access and use the Applications shall be revoked and be of no further force or effect and return rented Equipment as provided in Section 9.1 below;

(c) Customer agrees to timely return all Kronos-provided materials related to the Services to Kronos at Customer’s expense or, alternatively, destroy such materials and provide Kronos with an officer’s certification of the destruction thereof; and

(d) All provisions in the Agreement, which by their nature are intended to survive termination, shall so survive.

2.6 Customer Content shall be available to Customer to retrieve at any time and at no additional charge throughout the Term and for no more than 15 days after expiration or termination of the Agreement for any reason. After such time period, Kronos shall have no further obligation to store or make available the Customer Content and will securely delete all Customer Content without liability of any kind.

3. FEES AND PAYMENT

3.1 Customer shall pay Kronos the Monthly Service Fees, the fees for the Implementation Services and any additional one time or recurring fees for Equipment, Training Points, KnowledgePass Education Subscription and such other Kronos offerings, all as set forth on the Order Form. The Monthly Service Fees will be invoiced on the frequency set forth on the Order Form (“Billing Frequency”). If Customer and Kronos have
signed a Statement of Work for the Implementation Services, Implementation Services will be invoiced
monthly as delivered unless otherwise indicated on the Order Form. If Kronos is providing Implementation
Services in accordance with the Services Implementation Guideline or as “a la carte” services on the Order
Form, Kronos will invoice Customer for Implementation Services in advance of providing such
Implementation Services unless otherwise indicated on the Order Form. All other Kronos offerings will be
invoiced upon execution of the applicable Order Form by Kronos and Customer. Unless otherwise indicated
on an Order Form, payment for all items shall be due 30 days following date of invoice. All payments shall
be sent to the attention of Kronos as specified on the invoice. Except as expressly set forth in this Agreement,
all amounts paid to Kronos are non-refundable. Customer is responsible for all applicable federal, state,
country, provincial or local taxes relating to the goods and services provided by Kronos hereunder (including
without limitation GST and/or VAT if applicable), excluding taxes based on Kronos’ income or business
privilege.
3.2 If any amount owing under this or any other agreement between the parties is 30 days or more overdue,
Kronos may, without limiting Kronos’ rights or remedies, suspend Services until such amounts are paid in
full. Kronos will provide at least 7 days prior written notice that Customer’s account is overdue before
suspending Services.
3.3 At the later of (i) one (1) year after the effective date of this Agreement, or (ii) expiration of the Initial
Term, and at each annual anniversary of that date thereafter, Kronos may increase the Monthly Service Fee
rates in an amount not to exceed four percent (4%). The increased Monthly Service Fees will be reflected in
the monthly invoice following the effective date of such increase without additional notice.

4. RIGHTS TO USE
4.1 Subject to the terms and conditions of the Agreement, Kronos hereby grants Customer a limited,
revocable, non-exclusive, non-transferable, non-assignable right to use during the Term and for internal
business purposes only: a) the Applications and related services, including the Documentation; b) training
materials and KnowledgePass Content; and, c) any embedded third party software, libraries, or other
components, which form a part of the Services. The Services contain proprietary trade secret technology of
Kronos and its Suppliers. Unauthorized use and/or copying of such technology are prohibited by law,
including United States and foreign copyright law. Customer shall not reverse compile, disassemble or
otherwise convert the Applications or other software comprising the Services into uncompiled or
unassembled code. Customer shall not use any of the third party software programs (or the data models
therein) included in the Services except solely as part of and in connection with the Services. The JBoss®
Enterprise Middleware components of the Service are subject to the end user license agreement found at
http://www.redhat.com/licenses/jboss_eula.html Customer acknowledges that execution of separate third
party agreements may be required in order for Customer to use certain add-on features or functionality,
including without limitation tax filing services.
4.2 Customer acknowledges and agrees that the right to use the Applications is limited based upon the
amount of the Monthly Service Fees paid by Customer. Customer agrees to use only the modules and/or
features for the number of employees and users as described on the Order Form. Customer agrees not to use
any other modules or features nor increase the number of employees and users unless Customer pays for such
additional modules, features, employees or users, as the case may be. Customer may not license, relicense or
sublicense the Services, or otherwise permit use of the Services (including timesharing or networking use)
by any third party. Customer may not provide service bureau or other data processing services that make use
of the Services without the express prior written consent of Kronos. No license, right, or interest in any
Kronos trademark, trade name, or service mark, or those of Kronos’ licensors or Suppliers, is granted
hereunder.
4.3 Customer may authorize its third party contractors and consultants to access the Services through
Customer’s administrative access privileges on an as needed basis, provided Customer: a) abides by its
obligations to protect Confidential Information as set forth in this Agreement; b) remains responsible for all
such third party usage and compliance with the Agreement; and c) does not provide such access to a
competitor of Kronos who provides workforce management services.
4.4 Customer acknowledges and agrees that, as between Customer and Kronos, Kronos retains ownership
of all right, title and interest to the Services, all of which are protected by copyright and other intellectual
property rights, and that, other than the express rights granted herein and under any other agreement in writing
with Customer, Customer shall not obtain or claim any rights in or ownership interest to the Services or
Applications or any associated intellectual property rights in any of the foregoing. Customer agrees to
comply with all copyright and other intellectual property rights notices contained on or in any information obtained or accessed by Customer through the Services.

4.5 When using and applying the information generated by the Services, Customer is responsible for ensuring that Customer complies with applicable laws and regulations. If the Services include the Workforce Payroll Applications or Workforce Absence Management Applications: (i) Customer is solely responsible for the content and accuracy of all reports and documents prepared in whole or in part by using these Applications, (ii) using these Applications does not release Customer of any professional obligation concerning the preparation and review of any reports and documents, (iii) Customer does not rely upon Kronos, Best Software, Inc. or these Applications for any advice or guidance regarding compliance with federal and state laws or the appropriate tax treatment of items reflected on such reports or documents, and (iv) Customer will review any calculations made by using these Applications and satisfy itself that those calculations are correct.

5. ACCEPTABLE USE

5.1 Customer shall take all reasonable steps to ensure that no unauthorized persons have access to the Services, and to ensure that no persons authorized to have such access shall take any action that would be in violation of this Agreement. Customer is responsible for all activities undertaken under the auspices of its passwords and other login credentials to use the Services.

5.2 Customer represents and warrants to Kronos that Customer has the right to publish and disclose the Customer Content in connection with the Services. Customer represents and warrants to Kronos that the Customer Content will comply with the Acceptable Use Policy.

5.3 Customer will not (a) use, or allow the use of, the Services in contravention of the Acceptable Use Policy.

5.4 Kronos may suspend the Services immediately upon written notice in the event of any security risk, negative impact on infrastructure or Acceptable Use Policy violation.

6. CONNECTIVITY AND ACCESS

Customer acknowledges that Customer shall (a) be responsible for securing, paying for, and maintaining connectivity to the Services (including any and all related hardware, software, networking, internet access, third party services and related equipment and components); and (b) provide Kronos and Kronos' representatives with such physical or remote access to Customer's computer and network environment as Kronos deems reasonably necessary in order for Kronos to perform its obligations under the Agreement. Customer will make all necessary arrangements as may be required to provide access to Customer's computer and network environment if necessary for Kronos to perform its obligations under the Agreement.

7. IMPLEMENTATION AND SUPPORT

7.1 Implementation Services. Kronos will provide the Implementation Services to Customer. Implementation Services described in an SOW are provided on a time and materials basis, billed monthly as delivered unless otherwise indicated on the Order Form. Implementation Services described in the Services Implementation Guideline are provided on a flat fee basis. If Customer requests additional Implementation Services beyond those described in the Services Implementation Guideline, Kronos will create a change order for Customer's review and approval and any additional Implementation Services to be provided by Kronos will be billed as delivered at the then-current Kronos professional services rates. Kronos' configuration of the Applications will be based on information and work flows that Kronos obtains from Customer during the discovery portion of the implementation. Customer shall provide Kronos with all necessary and accurate configuration-related information in a timely manner to ensure that mutually agreed implementation schedules are met. In the event that Kronos is required to travel to Customer's location during the implementation, Customer agrees to pay any travel expenses, such as airfare, lodging, meals and local transportation, plus an administrative fee of ten percent (10%) of the amount of such travel expenses, incurred by Kronos in accordance with the then-current standard Kronos travel and expense policies, which Kronos will provide to Customer upon request. Kronos shall invoice Customer for such travel expenses and payment thereof shall be due net thirty (30) days from date of invoice. Kronos' then-current Professional/Educational Services Policies shall apply to all Implementation Services provided by Kronos and may be accessed at: http://www.kronos.com/Support/ProfessionalServicesEngagementPolicies.htm ("Professional Services Policies"). In the event of a conflict between the Professional Services Policies and this Agreement, the terms of this Agreement shall prevail.

7.2 Additional Services. Customer may engage Kronos to provide other services which may be fixed by activity ("a la carte") or provided on a time and materials basis ("bill as you go") as indicated on the applicable Order Form.
7.3 Support. Kronos will provide 24x7 support for the cloud infrastructure, the availability to the cloud environment, and telephone support for the logging of functional problems and user problems. Customer may log questions online via the Kronos Customer Portal. As part of such support, Kronos will make updates to the Services available to Customer at no charge as such updates are released generally to Kronos' customers. Customer agrees that Kronos may install critical security patches and infrastructure updates automatically as part of the Services. Kronos' then-current Support Services Policies shall apply to all Support Services provided by Kronos and may be accessed at: http://www.kronos.com/Support/SupportServicesPolicies.htm ("Support Policies"). In the event of a conflict between the Support Policies and this Agreement, the terms of this Agreement shall prevail.

7.4 Support Services for Equipment. Provided Customer has purchased support services for the Equipment, the following terms shall apply (Depot Exchange support services for rented Equipment are included in the rental fees for such Equipment):

(a) Customer may select, as indicated on an Order Form, an Equipment Support Services option offered by the local Kronos entity responsible for supporting the Equipment if and as such offerings are available within the Kronos territory corresponding to the Equipment's location. Kronos shall provide each Equipment Support Services offering as specified herein.

   (i) Depot Exchange and Depot Repair. If Customer has selected Depot Exchange or Depot Repair Equipment Support Services, the following provisions shall apply: Upon the failure of installed Equipment, Customer shall notify Kronos of such failure and Kronos will provide remote fault isolation at the FRU (Field Replacement Unit) or subassembly level and attempt to resolve the problem. Those failures determined by Kronos to be Equipment related shall be dispatched to a Kronos Depot Repair Center, and Customer will be provided with a Return Material Authorization Number (RMA) for the failed Equipment if Customer is to return the failed Equipment to Kronos, as reasonably determined by Kronos. Customer must return the failed Equipment with the supplied RMA number. Hours of operation, locations and other information related to Kronos' Depot Repair Centers are available upon request and are subject to change. Return and repair procedures for failed Equipment shall be provided based on the Depot option - Depot Exchange or Depot Repair - selected by Customer on the applicable Order Form and as specified herein and in Kronos' then-current Support Services Policies. Service packs for the Equipment (as described in subsection (ii) below) are included in both Depot Exchange and Depot Repair Support Services.

   Depot Exchange: Kronos will provide a replacement for the failed Equipment at the FRU or subassembly level on an "advanced exchange" basis, utilizing a carrier of Kronos' choice. Replacement Equipment will be shipped for delivery to Customer's location as further described in the Support Policies. REPLACEMENT EQUIPMENT MAY BE NEW OR RECONDITIONED. Customer shall specify the address to which the Equipment is to be shipped. All shipments will include the Kronos provided RMA designating the applicable Kronos Depot Repair Center, as the recipient. Customer, upon receipt of the replacement Equipment from Kronos, shall package the defective Equipment in the materials provided by Kronos, with the RMA supplied and promptly return failed Equipment directly to Kronos.

   Depot Repair: Upon failure of installed Equipment, Customer shall install a Spare Product (as defined below) to replace the failed Equipment. Customer shall then return the failed Equipment, with the required RMA, to the applicable Kronos Depot Repair Center. Customer shall make reasonable efforts to return the failed Equipment using the same or substantially similar packing materials in which the original Equipment was sent. Customer shall also specify the address to which the repaired Equipment should be return shipped. Upon receipt of the failed Equipment, Kronos shall repair the failed Equipment and ship it, within ten (10) business days after receipt, to Customer. Kronos shall ship the repaired Equipment by regular surface transportation to Customer.

(ii) Device Software Updates Only. If Customer has selected Device Software Equipment Support Services, Customer shall be entitled to receive:

   (A) Service packs for the Equipment (which may contain system software updates, firmware updates, security updates, and feature enhancements) available for download at Kronos' customer portal. Service packs for the Equipment are not installed by the Kronos Depot Repair Center but are available for download at Kronos' customer portal, provided Customer is maintaining the Equipment under an annual Equipment Support Services plan with Kronos.; and
(B) Access to the Kronos Support Services Center for the logging of requests for assistance downloading service packs for the Equipment.

(b) **Warranty.** Kronos warrants that all service packs and firmware updates provided under this Agreement shall perform in accordance with the Kronos published specifications in all material respects for a period of ninety (90) days after download by Customer. In the event of a breach of this warranty, Customer’s exclusive remedy shall be Kronos’ repair or replacement of the deficient service pack(s) or firmware update(s), at Kronos’ option, provided that Customer’s use, installation and maintenance thereof have conformed to the specifications.

(c) **Responsibilities of Customer.** It is Customer’s responsibility to purchase and retain, at Customer’s location and at Customer’s sole risk and expense, a sufficient number of spare products ("Spare Products") to allow Customer to replace failed Equipment at Customer’s locations in order for Customer to continue its operations while repairs are being performed and replacement Equipment is being shipped to Customer. For each of the Depot Exchange and Depot Repair Equipment Support Services options, Customer agrees that it shall return failed Equipment promptly as the failures occur and that it shall not hold failed Equipment and send failed Equipment to Kronos in “batches” which shall result in a longer turnaround time to Customer. In addition, Customer agrees to:

(i) Maintain the Equipment in an environment conforming to the Kronos published specifications for such Equipment;
(ii) Not perform self-repairs on the Equipment (i.e., replacing components) without prior written authorization from Kronos;
(iii) De-install all failed Equipment and install all replacement Equipment in accordance with Kronos’ written installation guidelines;
(iv) Ensure that the Equipment is returned to Kronos properly packaged; and
(v) Obtain an RMA before returning any Equipment to Kronos and place the RMA clearly and conspicuously on the outside of the shipping package. Customer may only return the specific Equipment authorized by Kronos when issuing the RMA.

(d) **Delivery.** All domestic shipments within the United States are FOB Destination to/from Customer and Kronos with the shipping party bearing all costs and risks of loss, and with title passing upon delivery to the identified destination. All international shipments from Kronos to Customer are DAP (Incoterms 2010) to the applicable Customer location, and are DDP (Incoterms 2010) to the applicable Kronos Depot Repair Center when Customer is shipping to Kronos, and with title passing upon delivery to the identified destination. Customer is responsible for all duties and taxes when sending Equipment to Kronos.

### 7.5 KnowledgePass Education Subscription.
When KnowledgePass Education Subscription is purchased on an Order Form (i.e., not indicated as “Included” in the Monthly Service Fees), Kronos will provide Customer with the KnowledgePass Education Subscription for a period of one (1) year from execution of the Order Form. Kronos will send Customer a renewal invoice for renewal of the KnowledgePass Education Subscription, and the KnowledgePass Education Subscription shall renew for an additional one (1) year term if Customer pays such invoice before the end of the then-current term for the KnowledgePass Education Subscription. The KnowledgePass Education Subscription provides access to certain educational offerings provided by Kronos (the **KnowledgePass Content**). Customer recognizes and agrees that the KnowledgePass Content is copyrighted by Kronos. Customer is permitted to make copies of the KnowledgePass Content provided in *pdf* form solely for Customer’s internal use. Customer may not disclose such KnowledgePass Content to any third party other than Customer’s employees. Customer may not edit, modify, revise, amend, alter, customize or vary the KnowledgePass Content without the written consent of Kronos, provided that Customer may download and modify contents of training kits solely for Customer’s internal use.

### 7.6 Training Points.
“Training Points” are points which are purchased by Customer that may be redeemed for an equivalent value of instructor-led training sessions offered by Kronos. Training Points may be redeemed only during the Term but only prior to the date which is no more than 12 months after the date of the Order Form pursuant to which the Training Points were acquired, after which time such Training Points shall expire and be of no value. Training Points may not be exchanged for other Kronos products or services.

### 7.7 Training Courses.
When Training Points or training sessions are set forth in an SSS, the SSS applies. When Training Points or training sessions are not set forth in an SSS, as part of the Services, for each SaaS application module included in the Services purchased by Customer, Customer’s employees shall be entitled
to attend, in the quantity indicated, the corresponding training courses set forth at:
Participation in such training courses is limited to the number of seats indicated for the courses corresponding to the modules forming a part of the Services purchased by Customer.

7.8 Technical Account Manager. Customers purchasing a Kronos Technical Account Manager ("TAM") as indicated on the Order Form shall receive the services of a dedicated, but not exclusive, TAM for one production instance of the Software. Customer will designate up to two primary and three secondary backup technical contacts ("Technical Contacts") to be the sole contacts with the TAM. Upon request, Customer may designate a reasonable number of additional and/or backup Technical Contacts. Customer is required to place all primary Technical Contacts through Kronos training for the Applications covered under this Agreement at Customer’s expense.

8. CUSTOMER CONTENT
Customer shall own all Customer Content. Kronos acknowledges that all of the Customer Content is deemed to be the Confidential Information of Customer. Customer will ensure that all Customer Content conforms with the terms of this Agreement and applicable law. Kronos and its Suppliers may, but shall have no obligation to, access and monitor Customer Content from time to time to provide the Services and to ensure compliance with this Agreement and applicable law. Customer is solely responsible for any claims related to Customer Content and for properly handling and processing notices that are sent to Customer regarding Customer Content.

9. EQUIPMENT
If Customer purchases or rents Equipment from Kronos, a description of such Equipment (model and quantity), the applicable pricing, and delivery terms shall be listed on the Order Form.

9.1 Rented Equipment. The following terms apply only to Equipment Customer rents from Kronos:
(a) Rental Term and Warranty Period. The term of the Equipment rental and the “Warranty Period” for such Equipment shall run cotermously with the Term of the other Services provided under the Agreement.
(b) Insurance. Customer shall insure the Equipment for an amount equal to the replacement value of the Equipment for loss or damage by fire, theft, and all normal extended coverage at all times. No loss, theft or damage after shipment of the Equipment to Customer shall relieve Customer from Customer’s obligations under the Agreement.
(c) Location/Replacement. Customer shall not make any alterations or remove the Equipment from the place of original installation without Kronos’ prior written consent. Kronos shall have the right to enter Customer’s premises to inspect the Equipment during normal business hours. Kronos reserves the right, at its sole discretion and at no additional cost to Customer, to replace any Equipment with newer or alternative technology Equipment as long as the replacement Equipment at least provides the same level of functionality as that being replaced.
(d) Ownership. All Equipment shall remain the property of Kronos. All Equipment is, and at all times shall remain, separate items of personal property, notwithstanding such Equipment’s attachment to other equipment or real property. Customer shall not sell or otherwise encumber the Equipment. Customer shall furnish any assurances, written or otherwise, reasonably requested by Kronos to give full effect to the intent of terms of this paragraph (d).
(e) Equipment Support. Kronos shall provide to Customer the Equipment support services described in Section 7.
(f) Return of Equipment. Upon termination of the Agreement or the applicable Order Form, Customer shall return, within thirty (30) days of the effective date of termination and at Customer’s expense, the Equipment subject to this Section 9.1. Equipment will be returned to Kronos in the same condition as and when received, reasonable wear and tear excepted. If Customer fails to return Equipment within this time period, upon receiving an invoice from Kronos, Customer shall pay Kronos the then list price of the unreturned Equipment.

9.2 Purchased Equipment. The following terms apply only to Equipment Customer purchases from Kronos:
(a) Title and Warranty Period. When the Order Form indicates FOB – Shipping Point, title to the Equipment passes to Customer upon delivery to the carrier; for all other shipping terms, title passes upon delivery to Customer. The “Warranty Period” for the Equipment shall be for a period of 90 days from such delivery (unless otherwise required by law).
(b) Equipment Support. Kronos shall provide to Customer the Equipment support services described in this Agreement if purchased separately by Customer as indicated on the applicable Order Form. If purchased, Equipment support services have a term of one (1) year commencing upon expiration of the Warranty Period. Equipment support services will be automatically extended for additional one year terms on the anniversary of its commencement date ("Renewal Date"), unless either party has given the other thirty (30) days written notification of its intent not to renew. Kronos may change the annual support charges for Equipment support services effective at the end of the initial one (1) year term or effective on the Renewal Date, by giving Customer at least thirty (30) days prior written notification.

10. SERVICE LEVEL AGREEMENT
Kronos shall provide the service levels and associated credits, when applicable, in accordance with the Service Level Agreement attached hereto as Exhibit A and which is hereby incorporated herein by reference.

CUSTOMER’S SOLE AND EXCLUSIVE REMEDY IN THE EVENT OF ANY SERVICE OUTAGE OR INTERRUPTION OF THE SERVICES OR FAILURE BY KRONOS TO MEET THE TERMS OF THE APPLICABLE SERVICE LEVEL AGREEMENT, SHALL BE THE REMEDIES PROVIDED IN EXHIBIT A.

11. LIMITED WARRANTY; DISCLAIMERS OF WARRANTY
11.1 Kronos represents and warrants to Customer that the Applications, under normal operation as specified in the Documentation and when used as authorized herein, will perform substantially in accordance with such Documentation during the Term.

11.2 Kronos’ sole obligation and Customer’s sole and exclusive remedy for any breach of the foregoing warranty is limited to Kronos’ reasonable commercial efforts to correct the non-conforming Applications at no additional charge to Customer. In the event that Kronos is unable to correct material deficiencies in the Services arising during the Warranty Period, after using Kronos’ commercially reasonable efforts to do so, Customer shall be entitled to terminate the then remaining Term of the Agreement as Customer’s sole and exclusive remedy. Kronos’ obligations hereunder for breach of warranty are conditioned upon Customer notifying Kronos of the material breach in writing, and providing Kronos with sufficient evidence of such non-conformity to enable Kronos to reproduce or verify the same.

11.3 Kronos warrants to Customer that each item of Equipment shall be free from defects in materials and workmanship during the Warranty Period. In the event of a breach of this warranty, Customer’s sole and exclusive remedy shall be Kronos’ repair or replacement of the deficient Equipment, at Kronos’ option, provided that Customer’s use, installation and maintenance thereof have conformed to the Documentation for such Equipment. This warranty is extended to Customer only and shall not apply to any Equipment (or parts thereof) in the event of:
(a) damage, defects or malfunctions resulting from misuse, accident, neglect, tampering, (including without limitation modification or replacement of any Kronos components on any boards supplied with the Equipment), unusual physical or electrical stress or causes other than normal and intended use;
(b) failure of Customer to provide and maintain a suitable installation environment, as specified in the published specifications for such Equipment; or
(c) malfunctions resulting from the use of badges or supplies not approved by Kronos.

EXCEPT AS PROVIDED FOR IN THIS SECTION 11, KRONOS HEREBY DISCLAIMS ALL WARRANTIES, CONDITIONS, GUARANTEES AND REPRESENTATIONS RELATING TO THE SERVICES, EXPRESS OR IMPLIED, ORAL OR IN WRITING, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, AND WHETHER OR NOT ARISING THROUGH A COURSE OF DEALING, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY THAT MAY OTHERWISE ARISE PURSUANT TO ANY STATUTE, CODE, COMMON LAW OR JUDICIAL DECISION. THE SERVICES ARE NOT GUARANTEED TO BE ERROR-FREE OR UNINTERRUPTED. EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, KRONOS MAKES NO WARRANTIES OR REPRESENTATIONS CONCERNING THE COMPATIBILITY OF THE SERVICES, THE SAAS APPLICATIONS OR THE EQUIPMENT NOR ANY RESULTS TO BE ACHIEVED THEREFROM.

12. DATA SECURITY
12.1 As part of the Services, Kronos shall provide those administrative, physical, and technical safeguards for protection of the security, confidentiality and integrity of Customer data as described at:
12.2 As between Customer and Kronos, all Personally Identifiable Data is Customer’s Confidential Information and will remain the property of Customer. Customer represents that to the best of Customer’s knowledge such Personally Identifiable Data supplied to Kronos is accurate. Customer hereby consents to the use, processing or disclosure of Personally Identifiable Data by Kronos and Kronos’ Suppliers wherever located only for the purposes described herein and only to the extent such use or processing is necessary for Kronos to carry out Kronos’ duties and responsibilities under the Agreement or as required by law.

12.3 Prior to initiation of the Services under the Agreement and on an ongoing basis thereafter, Customer agrees to provide notice to Kronos of any extraordinary privacy or data protection statutes, rules, or regulations which are or become applicable to Customer’s industry and which could be imposed on Kronos as a result of provision of the Services. Customer will ensure that: (a) the transfer to Kronos and storage of any Personally Identifiable Data by Kronos or Kronos’ Supplier’s data center is permitted under applicable data protection laws and regulations; and, (b) Customer will obtain consents from individuals for such transfer and storage to the extent required under applicable laws and regulations.

13. INDEMNIFICATION

13.1 Kronos shall defend Customer and its respective directors, officers, and employees (collectively, the “Customer Indemnified Parties”), from and against any and all notices, charges, claims, proceedings, actions, causes of action and suits, brought by a third party (each a “Claim”) alleging that the permitted uses of the Services infringe or misappropriate any United States or Canadian copyright or patent, and Kronos will indemnify and hold harmless the Customer Indemnified Parties against any liabilities, obligations, costs or expenses (including without limitation reasonable attorneys’ fees) actually awarded to a third party as a result of such Claim by a court of applicable jurisdiction or as a result of Kronos’ settlement of such a Claim. In the event that a final injunction is obtained against Customer’s use of the Services by reason of infringement or misappropriation of such copyright or patent, or if in Kronos’ opinion, the Services are likely to become the subject of a successful claim of such infringement or misappropriation, Kronos, at Kronos’ option and expense, will use commercially reasonable efforts to (a) procure for Customer the right to continue using the Services as provided in the Agreement, (b) replace or modify the Services so that the Services become non-infringing but remain substantively similar to the affected Services, and if neither (a) or (b) is commercially feasible, to (c) terminate the Agreement and the a granted hereunder after provision of a refund to Customer of the Monthly Service Fees paid by Customer for the infringing elements of the Services covering the period of their unavailability.

13.2 Kronos shall have no liability to indemnify or defend Customer to the extent the alleged infringement is based on: (a) a modification of the Services by anyone other than Kronos; (b) use of the Applications other than in accordance with the Documentation for such Service or as authorized by the Agreement; (c) use of the Services in conjunction with any data, equipment, service or software not provided by Kronos, where the Services would not otherwise itself be infringing or the subject of the claim; or (d) use of the Services by Customer other than in accordance with the terms of the Agreement. Notwithstanding the foregoing, with regard to infringement claims based upon software created or provided by a licensor to Kronos or Suppliers, Kronos’ maximum liability will be to assign to Customer Kronos’ or Supplier’s recovery rights with respect to such infringement claims, provided that Kronos or Kronos’ Supplier shall use commercially reasonable efforts at Customer’s cost to assist Customer in seeking such recovery from such licensor.

13.3 Customer shall defend Kronos, its Suppliers and their respective directors, officers, employees, agents and independent contractors (collectively, the “Kronos Indemnified Parties”) from and against any and all Claims, and will indemnify and hold harmless the Kronos Indemnified Parties against liabilities, obligations, costs or expenses (including without limitation reasonable attorneys’ fees), arising out of: (a) employment-related claims arising out of Customer’s configuration of the Services; (b) Customer’s modification or combination of the Services with other services, software or equipment not furnished by Kronos, provided that such Customer modification or combination is the cause of such infringement and was not authorized by Kronos; or, (c) a claim that the Customer Content infringes in any manner any intellectual property right of any third party, or any of the Customer Content contains any material or information that is obscene, defamatory, libelous, or slanderous violates any person’s right of publicity, privacy or personality, or has otherwise caused or resulted in any tort, injury, damage or harm to any other person. Customer will have sole control of the defense of any such action and all negotiations for its settlement or compromise. Kronos will cooperate fully at Customer’s expense with Customer in the defense, settlement or compromise of any such action.

Rev. 10242018
13.4 The Indemnified Party(ies) shall provide written notice to the indemnifying party promptly after receiving notice of such Claim. If the defense of such Claim is materially prejudiced by a delay in providing such notice, the purported indemnifying party shall be relieved from providing such indemnity to the extent of the delay's impact on the defense. The indemnifying party shall have sole control of the defense of any indemnified Claim and all negotiations for its settlement or compromise, provided that such indemnifying party shall not enter into any settlement which imposes any obligations or restrictions on the applicable Indemnified Parties without the prior written consent of the other party. The Indemnified Parties shall cooperate fully, at the indemnifying party's request and expense, with the indemnifying party in the defense, settlement or compromise of any such action. The indemnified party may retain its own counsel at its own expense, subject to the indemnifying party’s rights above.

14. LIMITATION OF LIABILITY
14.1 EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, KRONOS AND ITS SUPPLIERS WILL NOT BE LIABLE FOR ANY DAMAGES OR INJURIES CAUSED BY THE USE OF THE SERVICES OR BY ANY ERRORS, DELAYS, INTERRUPTIONS IN TRANSMISSION, OR FAILURES OF THE SERVICES.
14.2 - EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 13 ABOVE, THE TOTAL AGGREGATE LIABILITY OF KRONOS OR KRONOS' SUPPLIERS TO CUSTOMER AND/OR ANY THIRD PARTY IN CONNECTION WITH THE AGREEMENT SHALL BE LIMITED TO DIRECT DAMAGES PROVEN BY CUSTOMER, SUCH DIRECT DAMAGES NOT TO EXCEED AN AMOUNT EQUAL TO THE TOTAL NET PAYMENTS RECEIVED BY KRONOS FOR THE SERVICES IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE IN WHICH SUCH CLAIM ARISES.
14.3 EXCEPT FOR KRONOS' INDEMNIFICATION OBLIGATIONS SET FORTH IN SECTION 13 ABOVE, IN NO EVENT SHALL KRONOS OR KRONOS' SUPPLIERS, THEIR RESPECTIVE AFFILIATES, SERVICE PROVIDERS, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INCIDENTAL, SPECIAL, PUNITIVE, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES OR FOR ANY LOST OR IMPUTED PROFITS OR REVENUES, LOST DATA OR COST OF PROCUREMENT OF SUBSTITUTE SERVICES RESULTING FROM DELAYS, NONDELIVERIES, MISDELIVERIES OR SERVICES INTERRUPTION, HOWEVER CAUSED, ARISING FROM OR RELATED TO THE SERVICES OR THE AGREEMENT, REGARDLESS OF THE LEGAL THEORY UNDER WHICH SUCH LIABILITY IS ASSERTED, WHETHER BREACH OF WARRANTY, INDEMNIFICATION, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE, AND WHETHER LIABILITY IS ASSERTED IN CONTRACT, TORT OR OTHERWISE, AND REGARDLESS OF WHETHER KRONOS OR SUPPLIER HAS BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LIABILITY, LOSS OR DAMAGE.
14.4 - EXCEPT WITH RESPECT TO LIABILITY ARISING FROM KRONOS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, KRONOS DISCLAIMS ANY AND ALL LIABILITY, INCLUDING WITHOUT LIMITATION LIABILITY RELATED TO A BREACH OF DATA SECURITY AND CONFIDENTIALITY OBLIGATIONS, RESULTING FROM ANY EXTERNALLY INTRODUCED HARMFUL PROGRAM (INCLUDING WITHOUT LIMITATION VIRUSES, TROJAN HORSES, AND WORMS), CUSTOMER'S CONTENT OR APPLICATIONS, THIRD PARTY UNAUTHORIZED ACCESS OF EQUIPMENT, SAAS APPLICATIONS OR SYSTEMS, OR MACHINE ERROR.

15. CONFIDENTIAL INFORMATION
15.1 Each Party shall protect the Confidential Information of the other Party with at least the same degree of care and confidentiality, but not less than a reasonable standard of care, which such Party utilizes for its own information of similar character that it does not wish disclosed to the public. Neither Party shall disclose to third parties the other Party’s Confidential Information, or use it for any purpose not explicitly authorized herein, without the prior written consent of the other Party. The obligation of confidentiality shall survive for 5 years after the return of such Confidential Information to the disclosing party or 5 years after the expiration or termination of the Agreement, whichever is later, as applicable. Notwithstanding anything herein to the contrary, each party acknowledges and agrees that all trade secrets shall be safeguarded by a receiving party as required by this Agreement for so long as such information remains a trade secret pursuant to applicable law.
15.2 Notwithstanding the foregoing, a party may disclose Confidential Information to the extent required: (a) to any subsidiary or affiliate of such Party, or (b) to any consultants, contractors, and counsel who have a
need to know in connection with the Agreement and have executed a non-disclosure agreement with obligations at least as stringent as this Section 15, or (c) by law, or by a court or governmental agency, or if necessary in any proceeding to establish rights or obligations under the Agreement; provided, the receiving party shall, unless legally prohibited, provide the disclosing party with reasonable prior written notice sufficient to permit the disclosing party an opportunity to contest such disclosure. If a party commits, or threatens to commit, a breach of this Section 15, the other party shall have the right to seek injunctive relief from a court of competent jurisdiction.

15.3 This Agreement imposes no obligation upon either Party with respect to the other Party’s Confidential Information which the receiving Party can establish: (a) is or becomes generally known through no breach of the Agreement by the receiving party, or (b) is already known or is independently developed by the receiving party without use of or reference to the Confidential Information.

16. EXPORT
Customer understands that any export of the Equipment may require an export license and Customer assumes full responsibility for obtaining such license. Customer must obtain Kronos’ prior written consent before exporting the Equipment.

17. GENERAL
17.1 This Agreement shall be governed by and construed in accordance with the laws of the state, province and country in which Kronos is incorporated without regard to any conflict of law provisions. The parties waive the application of the United Nations Commission on International Trade Law and United Nations Convention on Contracts for the International Sale of Goods as to the interpretation or enforcement of the Agreement and waive and “opt out” of the Uniform Computer Information Transactions Act (UCITA), or such other similar law.

17.2 The invalidity or illegality of any provision of the Agreement shall not affect the validity of any other provision. The parties intend for the remaining unaffected provisions to remain in full force and effect.

17.3 Customer shall not assign the Agreement or the rights to use the Services without the prior written consent of Kronos and any purported assignment, without such consent, shall be void.

17.4 Neither Party shall be responsible for any failure to perform or delay in performing any of its obligations under this Agreement (other than a failure to comply with payment obligations) where and to the extent that such failure or delay results from an unforeseeable event beyond a party’s reasonable control, including but not limited to, acts of war; acts of nature; earthquake; flood; embargo; riot; sabotage; labor shortage or dispute; changes in government codes, ordinances, laws, rules, regulations or restrictions; failure of the Internet; terrorist acts; failure of data, products or services controlled by any third party, including the providers of communications or network services; utility power failure; material shortages or unavailability or other delay in delivery not resulting from the responsible party’s failure to timely place orders therefor, or lack of or delay in transportation (each a “Force Majeure Event”).

17.5 All notices given under the Agreement shall be in writing and sent postage pre-paid, if to Kronos, to the Kronos address on the Order Form, or if to Customer, to the billing address on the Order Form.

17.6 No action, regardless of form, may be brought by either party more than two (2) years after the cause of action has arisen.

17.7 The section headings herein are provided for convenience only and have no substantive effect on the construction of the Agreement.

17.8 The parties agree that if the Agreement is accepted by the parties and that acceptance is delivered via fax or electronically delivered via email or the internet it shall constitute a valid and enforceable agreement.

17.9 This Agreement and any information expressly incorporated by reference herein, together with the applicable Order Form, constitute the entire agreement between the parties for the Services described herein and supersede all prior or contemporaneous representations, negotiations, or other communications between the parties relating to the subject matter of this Agreement. This Agreement may be amended only in writing signed by authorized representatives of both parties. Customer understands and acknowledges that while Kronos may disclose to customers certain confidential information regarding general Service or product development direction, potential future Services, products or product enhancements under consideration, Customer is not entitled to any Services, products or product enhancements other than those contained on the Order Form. Customer has not relied on the availability of any future version of the Services (including SaaS Applications or equipment) identified on an Order Form, nor any other future product in executing the Agreement.
CUSTOMER AGREES TO THESE TERMS AND CONDITIONS FOR ALL ORDER FORMS FOR THE SERVICES. THE INDIVIDUAL ACCEPTING THESE TERMS AND CONDITIONS ON BEHALF OF CUSTOMER REPRESENTS THAT HE/SHE HAS THE AUTHORITY TO CONTRACTUALLY BIND CUSTOMER.

<table>
<thead>
<tr>
<th>Customer</th>
<th>City of UDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dated:</td>
<td></td>
</tr>
<tr>
<td>By:</td>
<td></td>
</tr>
<tr>
<td>Name:</td>
<td>D. Stephen Schubauer</td>
</tr>
<tr>
<td>Title:</td>
<td>City Manager</td>
</tr>
</tbody>
</table>

Approved as to Form:

JANICE D. MAGDIC
City Attorney

Kronos Incorporated

| Dated:     |             |
| By:        |             |
| Name:      |             |
| Title:     |             |
EXHIBIT A

SERVICE LEVEL AGREEMENT (SLA)

Service Level Agreement: The Services, in a production environment, are provided with the service levels described in this Exhibit A. SLAs are only applicable to production environments. SLAs will be available upon Customer's signature of Kronos' Go Live Acceptance Form for Customer's production environment.

99.75% Application Availability

Actual Application Availability % = (Monthly Minutes (MM) minus Total Minutes Not Available (TM)) multiplied by 100) and divided by Monthly Minutes (MM), but not including Excluded Events.

Service Credit Calculation: An Outage will be deemed to commence when the Applications are unavailable to Customer in Customer's production environment hosted by Kronos and end when Kronos has restored availability of the Applications. Failure to meet the 99.75% Application Availability SLA, other than for reasons due to an Excluded Event, will entitle Customer to a credit as follows:

<table>
<thead>
<tr>
<th>Actual Application Availability % (as measured in a calendar month)</th>
<th>Service Credit to be applied to Customer's monthly invoice for the affected month</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;99.75% to 98.75%</td>
<td>10%</td>
</tr>
<tr>
<td>&lt;98.75% to 98.25%</td>
<td>15%</td>
</tr>
<tr>
<td>&lt;98.25% to 97.75%</td>
<td>25%</td>
</tr>
<tr>
<td>&lt;97.75 to 96.75%</td>
<td>35%</td>
</tr>
<tr>
<td>&lt;96.75</td>
<td>50%</td>
</tr>
</tbody>
</table>

"Outage" means the accumulated time, measured in minutes, during which Customer is unable to access the Applications for reasons other than an Excluded Event.

"Excluded Event" means any event that results in an Outage and is caused by (a) the acts or omissions of Customer, its employees, customers, contractors or agents; (b) the failure or malfunction of equipment, applications or systems not owned or controlled by Kronos, including without limitation Customer Content, failures or malfunctions resulting from circuits provided by Customer, any inconsistencies or changes in Customer's source environment, including either intentional or accidental connections or disconnections to the environment; (c) Force Majeure events; (d) expected downtime during the Maintenance Periods described below; (e) any suspension of the Services in accordance with the terms of the Agreement to which this Exhibit A is attached; (f) the unavailability of required Customer personnel, including as a result of failure to provide Kronos with accurate, current contact information; or (g) using an Application in a manner inconsistent with the Documentation for such Application.

"Maintenance Period" means scheduled maintenance periods established by Kronos to maintain and update the Services, when downtime may be necessary, as further described below. The Maintenance Period is used for purposes of the Service Credit Calculation; Kronos continuously maintains the production environment on a 24x7 basis to reduce disruptions.

Customer Specific Maintenance Period

1. Customer will choose one of the following time zones for their Maintenance Period:
   a. United States Eastern Standard Time,
   b. GMT/UTC,
   c. Central European Time (CET) or
2. Customer will choose one of the following days of the week for their Maintenance Period: Saturday, Sunday, Wednesday or Thursday.

3. Kronos will use up to six (6) hours in any two (2) consecutive rolling months (specifically: January and February; March and April; May and June; July and August; September and October; November and December) to perform Customer Specific Maintenance, excluding any customer requested Application updates. Downtime in excess of these six (6) hours will be deemed to be an Outage.

4. Customer Specific Maintenance will occur between 12am-6am during Customer’s selected time zone.

5. Excluding any customer requested Application updates, Kronos will provide notice for planned downtime via an email notice to the primary Customer contact at least seven (7) days in advance of any known downtime so planning can be facilitated by Customer.

6. Customer Specific Maintenance Windows also include additional maintenance windows mutually agreed upon by Customer and Kronos.

7. In absence of instruction from Customer, Kronos will by default perform Maintenance in the time zone where the Data Center is located.

**Non-Customer Specific Maintenance Period**

Kronos anticipates non-Customer Specific Maintenance to be performed with no or little (less than three hours per month) Customer downtime. If for any reason non-Customer Specific Maintenance requires downtime, Kronos will provide as much notice as reasonably possible of the expected window in which this will occur. Downtime in excess of three (3) hours per month for Non-Customer Specific Maintenance will be deemed to be an Outage.

**“Monthly Minutes (MM)”** means the total time, measured in minutes, of a calendar month commencing at 12:00 am of the first day of such calendar month and ending at 11:59 pm of the last day of such calendar month.

**“Total Minutes Not Available (TM)”** means the total number of minutes during the calendar month that the Services are unavailable as the result of an Outage.

**Reporting and Claims Process**: Service Credits will not be provided if: (a) Customer is in breach or default under the Agreement at the time the Outage occurred; or (b) the Outage results from an Excluded Event.

Kronos will provide Customer with an Application Availability report on a monthly basis for each prior calendar month. Within sixty (60) days of receipt of such report, Customer must request the applicable Service Credit by written notice to Kronos. Customer waives any right to Service Credits not requested within this time period. All performance calculations and applicable Service Credits are based on Kronos records and data unless Customer can provide Kronos with clear and convincing evidence to the contrary.

The Service Level Agreements in this Exhibit, and the related Service Credits, apply on a per production environment basis. For the avoidance of doubt, Outages in one production environment may not be added to Outages in any other production environment for purposes of calculating Service Credits.

Customer acknowledges that Kronos manages its network traffic in part on the basis of Customer’s utilization of the Services and that changes in such utilization may impact Kronos’ ability to manage network traffic. Therefore, notwithstanding anything else to the contrary, if Customer significantly changes its utilization of the Services than what is contracted with Kronos and such change creates a material and adverse impact on the traffic balance of the Kronos network, as reasonably determined by Kronos, the parties agree to cooperate, in good faith, to resolve the issue.
NOTE: The City of Lodi is now using the online insurance program PINS Advantage. Once you have been awarded a contract you will receive an email from the City’s online insurance program requesting you to forward the email to your insurance provider(s) to submit the required insurance documentation electronically.

Insurance Requirements for IT Vendor Services

Contractor shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

1. **Commercial General Liability** (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: ISO Form Number CA 00 01 covering any auto or if Contractor has no owned autos, then hired, and non-owned autos with limit no less than $1,000,000 per accident for bodily injury and property damage.

3. **Workers’ Compensation**: as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

4. **Cyber Liability** Insurance, with limits not less than $2,000,000 per occurrence or claim, $2,000,000 aggregate. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

Other Insurance Provisions:

(a) **Additional Named Insured Status**
The City of Lodi, its elected and appointed boards, commissions, officers, agents, employees, and volunteers are to be covered as additional insureds on the CGL and auto policy with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG 20 26, CG 20 33, or CG 20 35; and CG 20 37 if a later edition is used.

(b) **Primary and Non-Contributory Insurance Endorsement**
The limits of insurance coverage required may be satisfied by a combination of primary and umbrella or excess insurance. For any claims related to this contract, the Contractor’s insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects the Entity, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the Entity, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

(c) **Waiver of Subrogation**: Contractor hereby grants to the City of Lodi a waiver of any right to subrogation which any insurer of said Contractor may acquire against the City of Lodi by virtue of the payment of any loss under such insurance. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the City of Lodi has received a waiver of subrogation endorsement from the insurer.

NOTE: (1) The street address of the CITY OF LODI must be shown along with (a) and (b) and (c) above: 221 West Pine Street, Lodi, California, 95240; (2) The insurance certificate must state, on its face or as an endorsement, a description of the project that it is insuring.

(d) **Severability of Interest Clause**
The term "insured" is used severally and not collectively, but the inclusion herein of more than one insured shall not operate to increase the limit of the company’s liability under the Contractor's commercial general liability and automobile liability policies.
(e) **Notice of Cancellation or Change in Coverage Endorsement**

This policy may not be canceled nor the coverage reduced by the company without 30 days' prior written notice of such cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240.

(f) **Continuity of Coverage**

All policies shall be in effect on or before the first day of the Term of this Agreement. At least thirty (30) days prior to the expiration of each insurance policy, Contractor shall furnish a certificate(s) showing that a new or extended policy has been obtained which meets the minimum requirements of this Agreement. Contractor shall provide proof of continuing insurance on at least an annual basis during the Term. If Contractor's insurance lapses or is discontinued for any reason, Contractor shall immediately notify the City and immediately obtain replacement insurance. Contractor agrees and stipulates that any insurance coverage provided to the City of Lodi shall provide for a claims period following termination of coverage which is at least consistent with the claims period or statutes of limitations found in the California Tort Claims Act (California Government Code Section 810 et seq.).

(g) **Failure to Comply**

If Contractor fails or refuses to obtain and maintain the required insurance, or fails to provide proof of coverage, the City may obtain the insurance, Contractor shall reimburse the City for premiums paid, with interest on the premium paid by the City at the maximum allowable legal rate then in effect in California. The City shall notify Contractor of such payment of premiums within thirty (30) days of payment stating the amount paid, the name(s) of the insurer(s), and rate of interest. Contractor shall pay such reimbursement and interest on the first (1st) day of the month following the City's notice. Notwithstanding any other provision of this Agreement, if Contractor fails or refuses to obtain or maintain insurance as required by this agreement, or fails to provide proof of insurance, the City may terminate this Agreement upon such breach. Upon such termination, Contractor shall immediately cease use of the Site or facilities and commence and diligently pursue the removal of any and all of its personal property from the site or facilities.

(h) **Verification of Coverage**

Consultant shall furnish the City with a copy of the policy declaration and endorsement page(s), original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the City before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. Failure to exercise this right shall not constitute a waiver of the City's right to exercise after the effective date.

(i) **Self-Insured Retentions**

Self-insured retentions must be declared to and approved by the City. The City may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

(j) **Insurance Limits**

The limits of insurance described herein shall not limit the liability of the Contractor and Contractor's officers, employees, agents, representatives or subcontractors. Contractor's obligation to defend, indemnify and hold the City and its officers, officials, employees, agents and volunteers harmless under the provisions of this paragraph is not limited to or restricted by any requirement in the Agreement for Contractor to procure and maintain a policy of insurance.

(k) **Subcontractors**

Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that City is an additional insured on insurance required from subcontractors.

(l) **Claims Made Policies**

If any of the required policies provide coverage on a claims-made basis:

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
2. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

(m) **Qualified Insurer(s)**

All insurance required by the terms of this Agreement must be provided by insurers licensed to do business in the State of California which are rated at least "A-, VI" by the AM Best Ratings Guide, and which are acceptable to the City. Non-admitted surplus lines carriers may be accepted provided they are included on the most recent list of California eligible surplus lines insurers (LESLI list) and otherwise meet City requirements.
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A THREE-YEAR
AGREEMENT (WITH OPTIONS TO EXTEND) WITH
KRONOS INCORPORATED, OF LOWELL, MASSACHUSETTS,
FOR A CLOUD-BASED TIME MANAGEMENT AND
SCHEDULING SOFTWARE

WHEREAS, the Lodi Fire Department has utilized Telestaff software for time
management and scheduling shifts. All staff have been trained on this software system that is
used for taking time off, calling for overtime, and tracking resources and personnel; and

WHEREAS, the Telestaff software is currently hosted on an internal server in Lodi. This
has created several challenges, and the latest City-wide computer crash took Telestaff
completely off line. A second server and license to utilize Telestaff in a test environment for
development and training purposes is needed. Currently, Internal Services support is needed for
updates to Telestaff and for server access. Going to a cloud-based service will allow improved
productivity and reliability. Updates to the program will be automatic and the City will have a
fully-functional test database. The Telestaff cloud-hosted service offers two completely
redundant servers so that if one server fails, the City’s account will back up within five minutes.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize the City Manager to execute a three-year agreement plus two one-year optional
extensions with Kronos Incorporated, of Lowell, Massachusetts, for a cloud-based time
management and scheduling software, in an amount not to exceed $51,280.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City
Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk

2019-____
CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing City Manager to File Claim for Fiscal Year 2018/19 Transportation Development Act Funds from Local Transportation Fund ($3,236,326) and State Transit Assistance Fund ($26,863)

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Adopt resolution authorizing City Manager to file claim for Fiscal Year 2018/19 Transportation Development Act Funds from Local Transportation Fund, in the amount of $3,236,326, and State Transit Assistance Fund in the amount of $26,863.

BACKGROUND INFORMATION: The Transportation Development Act (TDA) provides two major sources of funding for public transportation projects, Local Transportation Fund (LTF) and State Transit Assistance (STA), which are apportioned to counties based on population, taxable sales, and transit performance. Under the provisions of the TDA, the City is required to make an annual claim for LTF and STA funds. The claim is submitted to the State of California through the San Joaquin Council of Governments (SJCOG), the regional transportation planning agency designated by the State to administer and allocate TDA funds to eligible agencies in San Joaquin County.

The TDA Claim worksheets consist of transit operating and capital expenditures, revenue, fleet inventory, operational and performance data, streets and roads projects, and future transit operational and capital projections for determining compliance with triennial performance objectives established by SJCOG.

While Lodi’s annual STA apportionment has reduced significantly over the last several years, our LTF apportionment continues to increase each year due to population growth and our taxable sales.

Lodi’s TDA claim for Fiscal Year 2018/19 is $3,263,189, which is made up of the following:

<table>
<thead>
<tr>
<th>Transit Operations</th>
<th>LTF</th>
<th>STA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Capital Projects</td>
<td>$1,200,000</td>
<td>$26,863</td>
<td>$1,226,863</td>
</tr>
<tr>
<td>Pedestrian/Bicycle Projects</td>
<td>$454,820</td>
<td>$87,262</td>
<td>$542,082</td>
</tr>
<tr>
<td>Streets/Roads Projects</td>
<td>$1,421,509</td>
<td>$1,421,509</td>
<td>$1,421,509</td>
</tr>
<tr>
<td>SJCOG Planning and Administration</td>
<td>$72,735</td>
<td>$72,735</td>
<td>$72,735</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$3,236,326</strong></td>
<td><strong>$26,863</strong></td>
<td><strong>$3,263,189</strong></td>
</tr>
</tbody>
</table>

The claim has been approved by SJCOG staff in draft form and, upon approval of the City Council, will be sent to SJCOG for formal approval by their governing board. The City Manager may make minor adjustments before filing the final claim, based upon SJCOG review and comments.

APPROVED: ________________________________________
Stephen Schwabauer, City Manager

K:\WP\TRANSIT\CC TDA Claim FY 18-19.doc 7/11/2019
The City's transit operations (GrapeLine, Dial-A-Ride, and VineLine) are not dependent on the General Fund. Transit is fully funded with TDA, Federal Transit Administration funds, fare revenues, competitive grants, and other State and local revenue sources.

**FISCAL IMPACT:**

This action will allow the City to claim and receive TDA funding to pay for ongoing transit operations and capital needs. Such funding was budgeted in Fiscal Year 2018/19 for the transit program and to support various streets and roads programs. There is no impact to the General Fund.

**FUNDING AVAILABLE:**

Not applicable.

_______________________________
Charles E. Swimley, Jr.
Public Works Director

Prepared by Georgia Lantsberger, Transportation Manager
CES/GL/tdb
Attachment

cc: Financial Services Manager
    SJCOG staff, Lynnetta Castle and Ryan Niblock
FISCAL YEAR 2018-2019

SAN JOAQUIN COG

TRANSPORTATION DEVELOPMENT ACT

CLAIM FORM AND GUIDELINES

FOR

LOCAL TRANSPORTATION FUND (LTF)

AND

STATE TRANSIT ASSISTANCE FUND (STA)

Agency Name:
City of Lodi

For Internal Use:

Planner Review: ____________________________
Finance Review: ____________________________
Steve Dial Review: ____________________________
LOCAL TRANSPORTATION FUND
CLAIM FOR FISCAL YEAR 2018/19

TO: San Joaquin Council of Governments
555 E Weber Avenue
Stockton, CA 95202

FROM: Applicant: City of Lodi
Address: 221 W. Pine Street
City Lodi ____________________________ Zip: 95240
Contact Person: Georgia Lantsberger Phone: 209-333-6800 Ext. 2667
E-mail Address: glantsberger@lodi.gov Fax: 209-333-6710

The City of Lodi hereby requests, in accordance with Chapter 1400 Statutes 1971 and applicable rules and regulations, that its annual transportation claim be approved in the amount of $3,236,328 for fiscal year 2018/19, to be drawn from the Local Transportation Fund.

When approved, please transmit this claim to the County Auditor for payment. Approval of the claim and payment by the County Auditor to this applicant is subject to such monies being on hand and available for distribution, and to the provisions that such monies will be used only in accordance with the terms of the approved annual financial plan.

The claimant certifies that this Local Transportation Fund claim and the financial information contained therein is reasonable and accurate to the best of my knowledge and the aforementioned information indicates the eligibility of this claimant for funds for the fiscal year of the application pursuant to CAC Section 6634 and 6734.

Submitted by: ____________________________
Stephen Schwabauer
Title: ____________________________
City Manager
Date: ____________________________
June 19, 2019

San Joaquin Council of Governments
Date of approval: ____________________________

BY: ____________________________
Andrew T. Chesley
Executive Director

BY: ____________________________
Steve Dial
Deputy Executive Director/CFO

Date: ____________________________

Approved as to Form:

JANICE D. MAGDIC
City Attorney

6
STATE TRANSIT ASSISTANCE FUND
CLAIM FOR FISCAL YEAR 2018/19

TO: San Joaquin Council of Governments
555 E Weber Avenue
Stockton, CA 95202

FROM: Applicant: City of Lodi
Address: 221 W. Pine Street
City: Lodi
Zip: 95240
Contact Person: Georgia Lantsberger
Phone: 209-333-6800 ext. 2667
E-mail Address: glantsberger@lodi.gov
Fax: 209-333-6710

The City of Lodi qualified pursuant to Sections 99313.6, 99314.5 and 99314.6 of the Public Utilities Code, hereby requests, in accordance with Chapter 1400, Statutes of 1971 as amended and applicable rules and regulations, that an allocation be made in the amount of $26,863 for fiscal year FY18/19 to be drawn from the State Transit Assistance trust fund of San Joaquin County Allocation instructions and payment by the County Auditor to this claimant are subject to such monies being on hand and available for distribution, and to the provisions that such monies will be used only in accordance with the terms of the approved claim.

The claimant certifies that this State Transit Assistance Fund claim and the financial information contained therein is reasonable and accurate to the best of my knowledge and that the aforementioned information indicates the eligibility of this claimant for funds for the fiscal year of the application pursuant to CAC Section 6634 and 6734.

Submitted by: Stephen Schwabauer
Title: City Manager
Date: June 19, 2019

San Joaquin Council of Governments
Date of approval: ______________________

BY: Andrew T. Chesley
Executive Director

BY: Steve Dial
Deputy Executive Director/CFO

Date: ______________________

Approved as to Form:

JANICE D. MAGDICH
City Attorney
# TRANSPORTATION DEVELOPMENT ACT APPORTIONMENTS

<table>
<thead>
<tr>
<th></th>
<th>Local Transportation Fund Available Apportionment</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Area Apportionment 2018-2019 $2,323,128</td>
</tr>
<tr>
<td></td>
<td>Pedestrian/Bicycle Apportionment $54,665</td>
</tr>
<tr>
<td></td>
<td>Previous Years' Unclaimed Apportionment $705,000</td>
</tr>
<tr>
<td></td>
<td>Unexpended Carryover $1,222,087</td>
</tr>
<tr>
<td></td>
<td>3% for COG Transit Planning $72,735</td>
</tr>
<tr>
<td>F</td>
<td>Total Available for 2018-2019 Claim(s) $4,377,615</td>
</tr>
<tr>
<td>G</td>
<td>Less any LTF Already Claimed 2018-2019 $0</td>
</tr>
</tbody>
</table>
| H | **TOTAL AVAILABLE FOR THIS CLAIM** $4,377,615  
(Also enter on page 9, 1st column) |
|   | Actual net funds available (H-D-E=I) $3,082,793 |

<table>
<thead>
<tr>
<th></th>
<th>State Transit Assistance Fund Available Apportionment</th>
</tr>
</thead>
<tbody>
<tr>
<td>II</td>
<td>Area Apportionment 2018-19 $24,063</td>
</tr>
<tr>
<td></td>
<td>Previous Years' Unclaimed Apportionment $2,800</td>
</tr>
<tr>
<td></td>
<td>Unexpended Carryover $0</td>
</tr>
<tr>
<td></td>
<td>2% for COG Transit Planning $0</td>
</tr>
<tr>
<td>E</td>
<td>Total Available for 2018-19 Claim(s) $26,863</td>
</tr>
<tr>
<td>F</td>
<td>Less any STA Already Claimed 2018-19 $0</td>
</tr>
</tbody>
</table>
| G | **TOTAL AVAILABLE FOR THIS CLAIM** $26,863  
(Also enter on page 9, 2nd column) |
| H | Actual net funds available (G-C-D=H) $26,863 |
### CLAIM PURPOSES

<table>
<thead>
<tr>
<th>I. PUBLIC TRANSPORTATION</th>
<th>I. LTF</th>
<th>II STA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 4 (99260) - Operator</td>
<td>$ N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>CCR Section 6730(a) Public Transit</td>
<td>$ N/A</td>
<td></td>
</tr>
<tr>
<td>Article 8 (99400(c)) Contractor Operating</td>
<td>$ 1,200,000</td>
<td></td>
</tr>
<tr>
<td>Article 8 (99400(e)) Contractor Capital</td>
<td>$ 454,820</td>
<td>26,863</td>
</tr>
<tr>
<td>Article 8 (99400(b)) Passenger Rail Service Operations and Capital</td>
<td>$ N/A</td>
<td></td>
</tr>
<tr>
<td>TDA Administration</td>
<td>$ 72,735</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>II PEDESTRIAN AND BICYCLE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 3 (99234)</td>
<td>$ 87,262</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>III ROADS AND STREETS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 8 (99400(a))</td>
<td>$ 1,421,509</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IV OTHER</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 8 (99400(b,c,d,e))</td>
<td>$ N/A</td>
</tr>
</tbody>
</table>

**TOTAL THIS CLAIM**

$ 3,236,326    26,863

**TOTAL AVAILABLE FOR THIS CLAIM** (from pg. 8, (I.) H. and (II.) G)

$ 4,377,615    26,863

**UNCLAIMED APPORTIONMENT** (TOTAL AVAILABLE less TOTAL THIS CLAIM)

$ 1,141,289    0

**IMPORTANT:** To avoid accidental overpayment, please identify and itemize in the space below any unexpended carryover included in the amounts being claimed above. Identify the amount of carryover and the purpose for which it is being reclaimed. Attach pages as necessary.

| LTF in Transit Fund to be reclaimed for | Transit Purpose | $367,981 |
| LTF in Transit Fund to be reclaimed for | Capital Purpose | |
| LTF in Streets and Roads Fund to be reclaimed for | Streets & Roads | $821,509 |
| LTF in Ped/Bike Fund reclaimed for | Peds/Bicycle | $32,597 |
| STA in Transit Fund reclaimed for | Capital Purpose | |

**TOTAL UNEXPENDED CARRYOVER** $1,222,087

---

### PART I - PUBLIC TRANSPORTION

**FINANCIAL INFORMATION**

Please Circle Either

2018/2019

| Article 4 Operator | |
| Article 8 Contractor | 2018/2019 |
### A. OPERATING REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17/18 ESTIMATE</th>
<th>FY18/19 BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passenger Fares</td>
<td>226,485</td>
<td>224,400</td>
</tr>
<tr>
<td>Special Transit Fares</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charter Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Auxiliary Transportation Revenues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(includes advertising)</td>
<td>120,692</td>
<td>211,450</td>
</tr>
<tr>
<td>Non-Transportation Revenues</td>
<td>38,180</td>
<td>92,200</td>
</tr>
<tr>
<td>Tax Revenue (Specify)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Tax</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales Tax (not TDA)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Grants and Reimbursements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Purchase of Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Local Transportation Fund (LTF revenue)</td>
<td>1,323,071</td>
<td>1,200,000</td>
</tr>
<tr>
<td>Local Special Fare Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>State Cash Grants &amp; Reimbursement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CMAQ</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other: Measure K</td>
<td>400,000</td>
<td>400,000</td>
</tr>
<tr>
<td>State Special Fare Assistance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Grants and Reimbursements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTA Grants 5307</td>
<td>1,400,000</td>
<td>1,400,000</td>
</tr>
<tr>
<td>Contributed Services (Not Cash)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subsidy from other Sector of Operations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$3,508,428</strong></td>
<td><strong>$3,528,050</strong></td>
</tr>
</tbody>
</table>

### B. CAPITAL REVENUES

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17/18</th>
<th>FY18/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Grants and Subsidies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specify Federal, State, Local:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PTMISEA</td>
<td>258,471</td>
<td>499,000</td>
</tr>
<tr>
<td>State Prop 1B - TSSSDRA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTA 5307 or 5339</td>
<td>340,830</td>
<td>787,130</td>
</tr>
<tr>
<td>State Transit Assistance (STA)</td>
<td>45,867</td>
<td></td>
</tr>
<tr>
<td>Local Transportation Fund (LTF)</td>
<td>1,000,000</td>
<td>454,820</td>
</tr>
<tr>
<td>Non-Governmental Donations</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,645,168</strong></td>
<td><strong>$1,940,950</strong></td>
</tr>
</tbody>
</table>
### C. OPERATING EXPENSES

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>FY17/18 ACTUAL</th>
<th>FY18/19 BUDGET ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>501</td>
<td>Labor</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operations and Salaries/Wages</td>
<td>234,375</td>
<td>272,180</td>
</tr>
<tr>
<td></td>
<td>Other Salaries/Wages</td>
<td></td>
<td></td>
</tr>
<tr>
<td>502</td>
<td>Fringe Benefits</td>
<td>131,400</td>
<td>140,000</td>
</tr>
<tr>
<td>503</td>
<td>Services</td>
<td>716,610</td>
<td>639,490</td>
</tr>
<tr>
<td>504</td>
<td>Materials/Supplies</td>
<td>21,450</td>
<td>33,300</td>
</tr>
<tr>
<td></td>
<td>Fuel/Lubricants</td>
<td>78,402</td>
<td>117,890</td>
</tr>
<tr>
<td></td>
<td>Tires/Tubes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Other: CONTRACTED TRANSIT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>505</td>
<td>Utilities</td>
<td>55,430</td>
<td>56,550</td>
</tr>
<tr>
<td>506</td>
<td>Casualty/Liability Costs</td>
<td>134,249</td>
<td>140,000</td>
</tr>
<tr>
<td>507</td>
<td>Taxes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>508</td>
<td>Purchased Transportation Service</td>
<td>1,841,455</td>
<td>2,087,900</td>
</tr>
<tr>
<td>509</td>
<td>Misc. Expenses</td>
<td>193,882</td>
<td>194,330</td>
</tr>
<tr>
<td>510</td>
<td>Expense Transfer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>511</td>
<td>Interest Expense</td>
<td></td>
<td></td>
</tr>
<tr>
<td>512</td>
<td>Leases and Rentals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>513</td>
<td>Depreciation/amortization</td>
<td>1,415,947</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Operator Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Grant Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td><strong>$4,823,201</strong></td>
<td><strong>$3,681,640</strong></td>
</tr>
</tbody>
</table>

### D. CAPITAL EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>FY17/18 ACTUAL</th>
<th>FY18/19 BUDGET ACTUAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land/Property Acquisition</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Trolley bus; 5 Replace. Cutaway</td>
<td></td>
<td>1,656,400</td>
</tr>
<tr>
<td>Construction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other: Facility Improvements (includes Shelters)</td>
<td>1,112,376</td>
<td>874,514</td>
</tr>
<tr>
<td>Other: Passenger Amenities/Shelters</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other: Transit Security Projects</td>
<td>258,471</td>
<td>441,815</td>
</tr>
<tr>
<td>Other: Small Equipment Purchase</td>
<td>14,226</td>
<td>21,785</td>
</tr>
<tr>
<td>Other: Electronic Farebox System</td>
<td></td>
<td>200,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,385,073</strong></td>
<td><strong>$3,194,514</strong></td>
</tr>
</tbody>
</table>

* Allowable capital expenses are limited for Article 8 Claimants; see 99400(e)
## II. OPERATIONAL INFORMATION

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1. Patronage</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Total Passengers</td>
<td>301,666</td>
<td>300,500</td>
<td>325,850</td>
</tr>
<tr>
<td>b. Revenue Passengers</td>
<td>274,366</td>
<td>265,771</td>
<td>272,338</td>
</tr>
<tr>
<td>c. Youth Passengers</td>
<td>included in above</td>
<td>included in above</td>
<td>included in above</td>
</tr>
<tr>
<td>d. Elderly Passengers</td>
<td>74,632</td>
<td>73,450</td>
<td>73,975</td>
</tr>
<tr>
<td>e. Handicapped Passengers</td>
<td>included in above</td>
<td>included in above</td>
<td>included in above</td>
</tr>
<tr>
<td><strong>2. Vehicle Miles</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Total Vehicle Miles</td>
<td>390,675</td>
<td>385,078</td>
<td>390,000</td>
</tr>
<tr>
<td>b. Revenue Vehicle Miles</td>
<td>370,156</td>
<td>366,123</td>
<td>370,000</td>
</tr>
<tr>
<td><strong>3. Revenue Vehicle Hours</strong></td>
<td>34,495</td>
<td>33,755</td>
<td>34,000</td>
</tr>
<tr>
<td><strong>4. Revenue Vehicle Fuel Consumption</strong></td>
<td>83,655</td>
<td>84,000</td>
<td>84,000</td>
</tr>
<tr>
<td>a. CNG</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>b. Gasoline</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>5. Fare Collection</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Base</td>
<td>$1.25/$7.00</td>
<td>$1.25/$7.00</td>
<td>$1.25/$7.00</td>
</tr>
<tr>
<td>b. Zone</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>c. Youth</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>d. Senior</td>
<td>$0.60/$2.00</td>
<td>$0.60/$2.00</td>
<td>$0.60/$2.00</td>
</tr>
<tr>
<td>e. Handicapped</td>
<td>see above</td>
<td>see above</td>
<td>see above</td>
</tr>
<tr>
<td>f. Monthly Pass</td>
<td>$44.00/$22.00</td>
<td>$44.00/$22.00</td>
<td>$44.00/$22.00</td>
</tr>
<tr>
<td>g. Other</td>
<td>DAR 10 Ride pass ($16/56.50)</td>
<td>DAR 10 Ride pass ($16/56.50)</td>
<td>DAR 10 Ride pass ($16/56.50)</td>
</tr>
<tr>
<td>h. Average Fare</td>
<td>$0.74/$1.55</td>
<td>$0.74/$1.55</td>
<td>$0.74/$1.55</td>
</tr>
</tbody>
</table>
### THREE YEAR FISCAL PLAN

<table>
<thead>
<tr>
<th>Source</th>
<th>FY2018/19</th>
<th>FY2019/20</th>
<th>FY2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTF</td>
<td>$3,681,640</td>
<td>$3,760,400</td>
<td>$3,873,212</td>
</tr>
<tr>
<td>STA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal (5307)</td>
<td>$1,400,000</td>
<td>$1,400,000</td>
<td>$1,450,000</td>
</tr>
<tr>
<td>Fares/MK</td>
<td>$624,400</td>
<td>$630,000</td>
<td>$650,000</td>
</tr>
<tr>
<td>General Fund</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other: Non Rev Transp</td>
<td>$303,650</td>
<td>$427,380</td>
<td>$423,101</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$3,528,050</td>
<td>$3,857,380</td>
<td>$3,973,101</td>
</tr>
<tr>
<td><strong>Capital Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTF</td>
<td>$3,194,514</td>
<td>$739,810</td>
<td>$1,327,000</td>
</tr>
<tr>
<td>STA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>$787,130</td>
<td>$120,000</td>
<td>$700,000</td>
</tr>
<tr>
<td>Other Prop 1B</td>
<td>$699,000</td>
<td>$160,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,940,950</td>
<td>$630,000</td>
<td>$1,327,000</td>
</tr>
</tbody>
</table>
## B. FLEET INVENTORY

<table>
<thead>
<tr>
<th>Make &amp; Model</th>
<th>Year</th>
<th># of Vehicles</th>
<th>Fuel Type</th>
<th>Standard Seat Capacity</th>
<th># Wheelchair Positions</th>
<th>Ramp Y/N</th>
<th>Lift Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Champlain Trolley</td>
<td>2001</td>
<td>1</td>
<td>CNG</td>
<td>41</td>
<td>2</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>Ford Starcraft</td>
<td>2009</td>
<td>4</td>
<td>CNG</td>
<td>68</td>
<td>16</td>
<td>N</td>
<td>Y</td>
</tr>
<tr>
<td>El Dorado EZ Rider</td>
<td>2012</td>
<td>6</td>
<td>CNG</td>
<td>180</td>
<td>12</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Chevrolet ARBOC</td>
<td>2014</td>
<td>13</td>
<td>CNG</td>
<td>169</td>
<td>39</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Chevrolet Traverse (Non Rev Vehicle)</td>
<td>2014</td>
<td>1</td>
<td>GAS</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ford F450 (Non Rev Veh)</td>
<td>2016</td>
<td>1</td>
<td>GAS</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL** 24

---

### VEHICLES TO BE PURCHASED IN FY 2018/19

<table>
<thead>
<tr>
<th>Make &amp; Model</th>
<th>Year</th>
<th># of Vehicles</th>
<th>Fuel Type</th>
<th>Standard Seat Capacity</th>
<th># Wheelchair Positions</th>
<th>Ramp Y/N</th>
<th>Lift Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gillig Trolley</td>
<td>2019</td>
<td>1</td>
<td>CNG</td>
<td>32</td>
<td>2</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Chev.Giaval</td>
<td>2018</td>
<td>5</td>
<td>CNG</td>
<td>17</td>
<td>3</td>
<td>Y</td>
<td>N</td>
</tr>
</tbody>
</table>
III. ARTICLE 4 OPERATOR TDA REQUIREMENTS

A. Fare Ratio/Local Support Requirements

All Article 4 Claimants are required to maintain a specified ratio of fare revenue to operating cost. In addition, SJRTD only is required to maintain a ratio of fare revenue plus local support to operating cost of 32%. See 99268.2 - 99268.19 for details and exemptions pertaining to ratios.

1. What is this system’s required farebox recover ratio? ______ N/A

2. Does this attached budget demonstrate that this system will meet its required farebox recovery and for SJRTD its farebox plus local support ratios? ______________________

3. Has this system utilized its grace period? ______________________

4. Has this system been in non-compliance with its required ratio? ______________________

If yes, identify the year or years ______________________

B. Extension of Service/New Service

An extension of service or new service is exempt from the required farebox and local support ratios if:

1. The extension of service or new service has been in operation for less than two full fiscal years. The two-year extension of services exclusion applies until two years after the end of the fiscal year in which the extension of services was put into operation.

2. The claimant submits a report on the extension of services to the COG within 90 days after the end of the fiscal year. (for details of the report, see 6633.8(b))

Is an extension of service/new services being claimed ______ NO

If so, has the required report been submitted for the most recently completed full fiscal year ______

If not, that report must accompany this claim
C. Fifteen Percent Expenditure Increase (6632)
If any of the line items on the attached budget exceed by more than 15% the expenditure for that same item in the previous year’s budget, then an explanation for that increase must be given below. Attach an extra page if necessary.

N/A

D. Narrative Description (6632)
Please describe in the space below any changes in service characteristics from the previous fiscal year. This should specifically include any substantial increase or decrease in the geographic area served, major changes to the scope of operations, or addition of major new fixed facilities. Please attach an additional page if necessary.

N/A

E. Certification by the California Highway Patrol (6632)
Please attach a certification from the CHP verifying that the operator is in compliance with Section 1808.1 of the California Vehicle Code. This section concerns the "Driver Pull Notice participation".

Is a Certificate Attached?  Yes  X  No ________

SPECIAL NOTES FOR RATIO CALCULATIONS

SJRTD  Exclude certain costs and fares as specified in the most recent Compliance Audit Report
ARTICLE 4 OPERATOR TDA REQUIREMENTS

F. Operator’s STA Qualifying Criteria (99314.6) Explanation

A transit operator must meet one of two efficiency standards before STA funds may be allocated for operating purposes:

1. The operator’s operating cost per revenue vehicle hour, in the latest year for which audited data are available, must not exceed the sum of the preceding year’s operating cost per revenue vehicle hour and an amount equal to the change in the Consumer Price Index (CPI), multiplied by the preceding year’s operating cost per revenue vehicle hour. The formula below accomplishes this exercise:

\[(\text{opcost/RVH})_{FY16} \text{ cannot exceed } [(\text{opcost/RVH})_{FY15}] \times [1.02] \text{ OR} \]

2. The operator’s average operating cost per revenue vehicle hour, in the latest three years for which audited data are available, must not exceed the sum of the average of the operating cost per revenue vehicle hour for the three years preceding the latest year for which audited data are available and an amount equal to the average change in the CPI for the same period. The formula below accomplishes this exercise:

\[\text{AVG(opcost/RVH)_{FY14,15,16}} \text{ cannot exceed } [\text{AVG(opcost/RVH)_{FY13,14,15}}] \times [1.02] \]

3. If an operator does not meet either efficiency standard above, the operator shall receive its entire allocation and the funds shall be allocated pursuant to this paragraph. The portion of the allocation that the operator may use for operations shall be the total allocation to the operator reduced by the lowest percentage by which the operator’s total operating cost per revenue vehicle hour for the applicable year or 3-year period calculated pursuant to the above calculations exceeded by the target amount necessary to meet the applicable efficiency standard. The remaining portion of allocation shall be used only for capital purposes.

As used here, Operating Costs are defined by PUC Section 99247:

*All costs in the operating expense object classes exclusive of the costs in the
depreciation and amortization expense object class, and exclusive of all direct costs for providing charter services, and exclusive of all vehicle lease costs.*

STA allows for other exclusions, to be granted by the SJCOG, if deemed appropriate. These additional operating cost exclusions include:

a. Exclusion of cost increases beyond the change in the CPI for fuel, alternative fuel programs; power, including electricity; insurance, or state and federal mandates. Including the additional operating costs required to provide comparable complementary paratransit service as required by Section 37.121 of title 49 of the Code of Federal Regulations, pursuant to Federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 Et seq.), as identified in the operator’s paratransit plan pursuant to Section 37.139 of Title 49 of the Code of Federal Regulations.

b. Exclusion of start-up costs for new services for a period of not more than two years (refer to PUC Section 99268.8 for a definition of new service).

If you wish to claim these exclusions when calculating the operation cost per revenue vehicle hour, you must state the request and show calculations in support of the cost to be excluded.

*Percentage change across fiscal years using the California CPI*
Pursuant to SB 508 failure to meet the qualifying criteria based on the calculations; the operator will still receive STA funding, however, it can only spend the funds on Capital expenditures.

The following documents pertain to the new STA efficiency standards and are available at your request:

- PUC Section 99314.6, also known as Chapter 35 Statutes of 1991 (SB 3-Kopp)
- SB 508 Transportation Funds: transit operators: pedestrian safety.
- The Uniform System of Accounts for Public Transit Operators.
- Consumer Price Index Data for California, January 1982 through January 2016
- Transportation Development Act Audit Reports, FY1992 through FY2015

Please complete the attached worksheet to determine if you fully qualify for your STA apportionment. TDA Audit reports will address this efficiency criteria.
3. Operator's STA Qualifying Criteria (99314.6) - Worksheet

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Audited Data)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A. Operating Cost

B. Operating Costs Exclusions:

   - 
   - 
   - 

C. Adjusted Operating Cost (A-B)

D. Revenue Vehicle Hours (RVH)

E. RHV Exclusions:
   (add sheets if required)
   - 
   - 
   - 

F. Adjusted RHV (D-E)

G. Operating Cost per RVH (C/F)

   
   
   

Efficiency Standard 1:

Z must be less than or equal to (Y) * (2.63)

Show calculation

Efficiency Standard 2:

\[
\frac{(X + Y + Z)}{3} \text{ must be less than or equal to } \left(\frac{(W + X + Y)}{3}\right) \times (2.63)
\]

Show calculation

For SJCOG use only

Operator qualifies under:

| Standard 1 | Yes | No |
| Standard 2 | Yes | No |
IV. Article 8 Contractor TDA Requirements

For contracted transportation service providers, the San Joaquin Council of Governments (SJCOG) Executive Board has waived the farebox and local support ratios as it is empowered to do by 99405(c) The SJCOG Board has established a two step process.

NOTE: Contributing claimants should proceed to page 23

A. Match Requirement

For any Article 8 transit claim, no more than 90% of the total operating funds (minus depreciation) in the budget may be TDA (LTF and STA) derived. The ten percent (10%) or more matching funds may come from any other source available to the claimant besides TDA.

B. Transit Systems Performance Objectives

To receive an amount of TDA operating funds (LTF and STA combined) in excess of what was claimed the previous fiscal year, the claimant must be in compliance with the previous three-year Transit Systems Performance Objective established by the COG Board. The claimant must have met at least two of the three objectives at the end of the third year. The COG Board will adopt the system-wide transit systems performance objectives for the fiscal year of the claim. The Transit Performance Objectives must be established by November of each fiscal year.

If the system failed to meet its transit systems performance objectives at the end of the previous three-year period, then the claimant is only eligible to file a claim for the level of TDA operating funding received in the last year of compliance. In case of a unified transit system, each claimant would be limited to the prior year’s level of TDA operating funding. If a system wishes to be eligible for increased TDA operating funding in a future fiscal year, then the claimant would need to be in compliance with two out of the three objectives at the end of the following three-year period.

1. What was the level of TDA operating funding received in previous fiscal year for this system by this claimant (LTF and STA)? $1,323,071

2. Does the attached information (pg. 10) demonstrate at least a 10% match of non-TDA funds in FY 2017-2018? Yes
   Does the FY 2018-2019 budget (pg10) demonstrate a 10% match of non TDA funds? Yes

3. Is this claim requesting more TDA operating funds than were received for this system by this claimant in the previous fiscal year? Yes

4. If yes, did the system meet two of the three interim Transit Systems Performance Objectives in the previous fiscal year? Yes
   Is the system on target to meet the three year targeted Transit System Performance Objective (see page 22)? Yes

5. Is the Claimant in a period of a two-year exemption for extension of service/new service waiver?
   If yes, which fiscal year was the waiver approved? N/A
   And what services were the waiver approved for? 

6. Has the Claimant experienced a failure to meet identified Transit System Performance Objective?
   If yes, in which Fiscal Year? N/A
### Article 8 Contractor TDA Requirements

#### C. What was last year’s (FY17-18) Transit Systems Performance Objectives?

1) Operating Cost/Revenue Hour $142.25  
2) Passenger/Revenue Hour Ratio 7.5  
3) Subsidy/Passenger $18.12

#### I. What was the Operating Cost per Revenue Hour?

1) Operating Cost † $3,407,254  
2) Revenue Hours 34,495  
3) Operating Cost per Revenue Hour (1/2) $98.78

#### II. What was the Passenger per Revenue Hour ratio?

1) Passengers 301,666  
2) Revenue Hours 34,495  
3) Passenger per Revenue Hour ratio (1/2) 8.75

#### III. What was the Subsidy per Passenger?

1) Operating Cost † $3,407,254  
(a) Farebox Revenue+fed op rev+local op rev $2,011,390  
2) Passengers 301,666  
3) Subsidy per Passenger? (1-ε)/2 $4.63

#### D. What are the Transit Systems Performance Objective for this year’s (FY18-19) claim?

1) Operating Cost/Revenue Hour $103.70  
2) Passenger/Revenue Hour Ratio 8.9  
3) Subsidy/Passenger $6.00

#### IV. What is the projected Operating Cost per Revenue Hour?

1) Budgeted Operating Cost † $3,681,640  
2) Budgeted Revenue Hours 33,755  
3) Projected Operating Cost per Revenue Hour (1/2) $109.07

#### V. What is the Projected Passenger per Revenue Hour ratio?

1) Budgeted Passengers 300,500  
2) Budgeted Revenue Hours 33,755  
3) Projected Passenger per Revenue Hour ratio (1/2) 8.9

† Please use the operating cost exemptions worksheet on page 24  
See TDA sections 99268.2-99268.19 for eligible exemptions
Article 8 Contractor TDA Requirements

VI. What is the Projected Subsidy per Passenger?

1) Budgeted Operating Cost $3,681,640
   (a) Budgeted Farebox Revenue+fed op rev+local op rev $2,328,050
2) Budgeted Passengers 300,500
3) Projected Subsidy per Passenger? $4.50
   ([1-a]/2)

1. Did the system meet two of the three Transit System Performance Objectives (IV, V, VI) for this year's (FY 18-19) claim? ___Yes___

2. If an operator was allocated funds under this article during a fiscal year in which it did not maintain two of the three transit system performance objectives at the end of the previous three-year period, the operator's eligibility to receive moneys from the local transportation fund 99313.3 and 99314.3 shall be reduced during subsequent penalty year to the amount received in the last fiscal year of compliance. The penalty year shall be the fiscal year that begins one year after the end of the fiscal year during which the required ratio was not maintained.

Note: If this claim is for a unified transit system *, has the contributing claimant been appraised of the planned system-wide objective set in VII. Above? ___N/A___

* Please use the operating cost exemptions worksheet on page 24
See TDA sections 99268.2-99268.19 for eligible exemptions
Article 8 Contractor TDA Requirements

E. Fifteen Percent Expenditure Increase (6632)
If any of the line items on the attached budget exceed by more than 15% the expenditure for that same item in the previous year’s budget, then an explanation for that increase must be given below. Attach an additional page if necessary.

501 - Addition of part-time Transit Intern to assist with ITS, route analysis, asset maintenance.
504 - Increased costs for products & services necessary to maintain aging and vandalized assets.
504 Fuel - Increased CNG costs due to uncalibrated gauges used in prior years to track fuel usage.

F. Narrative Description (6632)
Please describe below any changes in service characteristics from the previous fiscal year. This should specifically include any substantial increase or decrease in the geographic area, major changes to the scope of operations, or additional of major new fixed facilities.

None

G. Extension of Service/New Service
An extension of service or new service is exempt from the required farebox and local support ratios if:

1. The extension of service or new service has been in operation for less than two full fiscal years. The two-year extension of services exclusion applies until two years after the end of the fiscal year in which the extension of services was put into operation.
2. The claimant submits a report on the extension of services to the COG within 90 days after the end of the fiscal year. (for details of the report, see 6633.8(b))

Is an extension of service/new services being claimed? Yes/No

If so, has the required report been submitted for the most recently completed full fiscal year? Yes/No

If not, that report must accompany this claim.
### Article 8 Contractor Operating Cost Exemption Worksheet

1. **Prior Year Total Operating Cost (Pg. 11)***
   
   **Less:**
   
   **A.** Depreciation (99247(a))
   
   **B.** Vehicle Lease Cost (99247(a))
   
   **C.** Extension/New Service (99268.8) **
   
   **D.** Exclusion of Ride Sharing Costs (99268.16)
   
   **E.** Exclusion of Complimentary Para-Transit Cost (99268.17) ***
   
   **F.** Other (List TDA Section__________)
   
   **G.** Prior Year Net Operating Cost
   
   **$4,823,201**
   
   **$1,415,947**
   
   **$0**
   
   **$0**
   
   **$0**
   
   **$**
   
   **$3,407,254**

2. **Claim Year Total Operating Cost (Pg. 11)***
   
   **Less:**
   
   **A.** Depreciation (99247)
   
   **B.** Vehicle Lease Cost (99347)
   
   **C.** Extension/New Service (99268.8) **
   
   **D.** Exclusion of Ride Sharing Costs (99268.16)
   
   **E.** Exclusion of Complimentary Para-Transit Cost (99268.17) ***
   
   **F.** Other (List TDA Section__________)
   
   **G.** Prior Year Net Operating Cost
   
   **$3,681,640**
   
   **0**
   
   **$0**
   
   **$0**
   
   **$0**
   
   **$**
   
   **$**

**Note:**

* Exemptions and costs listed in this worksheet represent potential exemptions allowable under TDA exemption categories and costs will be verified through the annual TDA Audit.

** Exemption applies only to cost associated with an extension of public transportation services to new geographical areas or route miles, or improvements in service frequency or hours of service greater than 25% of the route total, or the addition of new days of service, and for transit service claimants also includes the addition of a new type of service, such as van, taxi, or bus.

*** Defined as the cost to provide comparable complementary paratransit service that exceeded the prior year cost adjusted by the consumer price index.
I. Article 8 Three Year Transit System Performance Objectives Worksheet

<table>
<thead>
<tr>
<th>Operating Expenses (pg. 11)</th>
<th>FY2018/19</th>
<th>FY2019/20</th>
<th>FY2020/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Exemptions*</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation (99247)</td>
<td>$1,458,425</td>
<td>$1,502,178</td>
<td>$1,547,243</td>
</tr>
<tr>
<td>Vehicle Lease Cost (99247)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension/New Service (99268.8) **</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Complementary Paratransit Service (99268.17)***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Operating Cost</td>
<td>$2,223,215</td>
<td>$2,258,222</td>
<td>$2,325,969</td>
</tr>
<tr>
<td>Passengers</td>
<td>300,500</td>
<td>325,850</td>
<td>335,626</td>
</tr>
<tr>
<td>Revenue Hours</td>
<td>33,755</td>
<td>34,000</td>
<td>34,600</td>
</tr>
<tr>
<td>Fare Revenue</td>
<td>624,400</td>
<td>630,000</td>
<td>650,000</td>
</tr>
</tbody>
</table>

Transit System Performance Objective

Projections

<table>
<thead>
<tr>
<th>Operating Cost/Revenue Hour</th>
<th>$65.86</th>
<th>$66.42</th>
<th>$67.22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers/Revenue Hour</td>
<td>8.9</td>
<td>9.6</td>
<td>9.7</td>
</tr>
<tr>
<td>Subsidy/Passenger</td>
<td>$4.50</td>
<td>$0.18</td>
<td>$0.24</td>
</tr>
</tbody>
</table>

Targets

<table>
<thead>
<tr>
<th>Operating Cost/Revenue Hour</th>
<th>$103.70</th>
<th>$106.63</th>
<th>$109.73</th>
</tr>
</thead>
<tbody>
<tr>
<td>Passengers/Revenue Hour</td>
<td>8.9</td>
<td>9.1</td>
<td>9.2</td>
</tr>
<tr>
<td>Subsidy/Passenger</td>
<td>$6.00</td>
<td>$6.19</td>
<td>$6.38</td>
</tr>
</tbody>
</table>

Notes:

* Exemptions and costs listed in this worksheet represent potential exemptions allowable under TDA exemption categories and costs will be verified through the annual TDA Audit.

** Exemption applies only to cost associated with an extension of public transportation services to new geographical areas or route miles, or improvements in service frequency or hours of service greater than 25% of the route total, or the addition of new days of service, and for transit service claimants also includes the addition of a new type of service, such as van, taxi, or bus.

*** Defined as the cost to provide comparable complimentary para transit service that exceeded the prior year cost adjusted by the consumer price index.
J. Article 8 Contractor TDA Requirements: Unified Transit System (Contributing Claimants)

In the case of a "unified transit system," please do not complete pages 17-22. If you are the "contributing claimant" please contact the RTPA for further instructions. A "unified transit system" is defined as one that has the same fare structure throughout the service area, but whose TDA expenses are claimed separately by two different TDA claimants. Additionally, to qualify as a unified transit system, all system TDA funding must be claimed under Article 8 (both claimants). "Contributing claimant" is defined as the claimant contributing a majority of the unified transit system's TDA funds. The claimant furnishing the majority of TDA funds is defined as the "primary claimant".

N/A
V.

LOCAL TRANSPORTATION FUND
ANNUAL PROJECT AND FINANCIAL PLAN
PEDESTRIAN AND BICYCLE PROJECTS
(Use additional forms as necessary)

PART II

Briefly describe all proposed projects and indicate proposed project expenditures for right of way acquisition and the construction of road and street projects.

<table>
<thead>
<tr>
<th>Project Title &amp; Brief Description</th>
<th>Project Limits</th>
<th>Total Project Cost</th>
<th>LTF Funds Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalk Improvements and ADA curb ramp</td>
<td>Various Locations throughout City</td>
<td>90,000</td>
<td>$87,262</td>
</tr>
</tbody>
</table>

| TOTAL                              |                                      | $ 90,000           | $ 87,262           |

1. LTF carryover from previous fiscal years applied toward FY 2018/19 Pedestrian & Bicycle Projects $ 32,597
2. FY 2018/19 apportionment applied towards FY 2018/19 Non-motorized $ 54,665
3. Total of 1, 2. above (must match total LTF in Table 4 above) $87,262
### VI.
LOCAL TRANSPORTATION FUND
ANNUAL PROJECT AND FINANCIAL PLAN
ROADS AND STREETS PROJECTS
(Use additional forms as necessary)

#### PART III

**Briefly describe all proposed projects and indicate proposed project expenditures for right of way acquisition and the construction of road and street projects.**

<table>
<thead>
<tr>
<th>Project Title &amp; Brief Description</th>
<th>Project Limits</th>
<th>Total Project Cost</th>
<th>LTF Funds Utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crack seal project</td>
<td>Various locations</td>
<td>$70,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>Pavement maintenance and street striping</td>
<td>Various locations</td>
<td>$200,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>Lockeford Street Improvement Project</td>
<td>Cherokee Lane and Railroad Tracks/Sacramento St.</td>
<td>$2,826,018</td>
<td>$650,000</td>
</tr>
<tr>
<td>Citywide Bike Detection System</td>
<td>Various locations</td>
<td>$505,000</td>
<td>$65,000</td>
</tr>
<tr>
<td>Miscellaneous Streets &amp; Roads Repairs</td>
<td>Various locations</td>
<td>$950,000</td>
<td>$486,509</td>
</tr>
</tbody>
</table>

**TOTAL**

$4,551,018 $1,421,509

1. LTF carryover from previous fiscal years applied toward FY 2018/19 Roads and Streets  
   $821,509

2. FY 2018/19 apportionment applied toward FY 2018/19 Roads and Streets  
   $600,000

3. Total of 1, 2 above (must match total LTF in Table 4 above)  
   $1,421,509
PART IV

VII. OTHER PURPOSES

It is possible that a claimant may wish to expend TDA funds for purposes allowed within the Act, but not covered by the three previous parts. TDA funds may be claimed under Article 8 consistent with Section 99400 of the TDA. To complete this section, on attached pages, identify:

I. Project Title
II. Applicable subdivision of section 994400
III. Project Description
IV. Estimated total Costs
V. TDA Contribution to that total

A separate page of pages should be submitted for each specific project or purpose

It is strongly recommended that the claimant consult with SJCOG staff before completing this section

Other Article 8 (99400)

N/A
PART V

STATEMENT OF ASSURANCES
CONFORMANCE REQUIREMENTS FOR CLAIMANTS

Please initial all applicable paragraphs pursuant to which the attached claim is being submitted. Initial in space provided or put N/A if it is not applicable to your organization.

1) **180 Day Certified Fiscal Audit (required for all claims)**
   Claimant assures that it has submitted a satisfactory independent fiscal audit, with required certification, to SJCOG and to the State Controller not more than 180 days after the end of the prior fiscal year.
   (Refer to PUC Section 99245, CCR Section 6664)

2) **90 Day Annual State Controller Report (required for all transit claims)**
   Claimant assures that it has submitted this report to the State Controller in conformance with the uniform system of accounts and records not more than 120 days after the end of the prior fiscal year.
   (Refer to PUC Section 99243, CCR Section 6665)

3) **Elderly/Disabled (required for all transit claims)**
   Assurance that the transit operator in question is in compliance with PUC Section 99155 pertaining to reduced transit fares for elderly and disabled persons and Section 99155.5 pertaining to dial-a-ride and paratransit services.

4) **farebox Recovery Ratio Requirements (required for all transit claims)**
   Claimant filing a claim for LTF or STA funds certifies that it will maintain for the project that ratio of fare revenues and local support to operating cost required under PUC Sections 99268.3, 99268.4, 99268.5(a), 99268.5(b), 99268.12, 99270.1, and 99270.2, as appropriate.
   (Refer to PUC Section 99268, CCR Section 6633.2)

5) **CHP Terminal Inspection (required for all transit claims)**
   Claimant certifies that it has been certified by the Department of the California Highway Patrol within the last 13 months to be compliant with Section 1808.1 of the Vehicle Code. This section requires operators to participate in a pull notice system for obtaining current driver records from the Department of Motor Vehicles.
   (Refer to PUC Section 99251)

6) **Implementation of Productivity Improvements (required for all transit claim**
   Claimant certifies that the operator has made a reasonable effort to implement the productivity improvements recommended pursuant to PUC Section 99244.

7) **Triennial Performance Audit**
   Claimant assures that it has complied with the requirements of a triennial performance audit.
   (Refer to PUC Section 99248, CCR Section 6664.5)

8) **Fiscal Audit**
   Claimant certifies that it has submitted a satisfactory, independent fiscal audit, with Required certification statement, to the RTPA and the State Controller, pursuant to PUC 99245 and 21 Cal. Code of Regulations 6664 for the prior fiscal year. Claimant assures that this audit requirement will be completed for the current fiscal year.
9) **Operating Budget**
Claimant certifies that its operating budget is not more than 15% greater than its previous year budget unless supported by documentation that substantiates such change.
(Refer to PUC Section 99266)

10) **Extension of Service**
Claimant who receives an allocation of LTF funds for extension of service pursuant to PUC Section 99268.8 certifies that it will file a report of these services pursuant to CCR section 6633.8(b) within 90 days after close of the fiscal year in which the allocation was granted.

11) **Conformance with the Regional Transportation Plan**
(required for STA claims, transit ped/bike and streets and roads claims)
Claimant certifies that all of the purposes for claim expenditures are in conformance with the Regional Transportation Plan.
(Refer to CCR 6754(a))

12) **Full Use of Federal Funds** (required for STA claims only)
Claimant certifies that it is making full use of Federal Funds available under the Federal Transit Act.
(Refer to CCR 6754(a))

13) **Efficiency Standards**
(required for transit operator claimants claiming STA for operating purposes)
Operator certifies that it meets one of the following two efficiency standards
(PUC Section 99314.6):

a) Efficiency Standard 1: An operator’s total operating cost per vehicle revenue hour for the most recent fiscal year must not exceed the prior year’s operating cost per revenue vehicle hours, by a percentage greater than the percentage change in the Consumer Price Index (CPI) for the same period.

b) Efficiency Standard 2: An operator’s total operating cost per vehicle revenue hour for the most recent fiscal year must not exceed the average total operating cost per vehicle revenue hour for the three prior years, increased by the average percentage change in the CPI for the same period.
(Refer to PUC Section 99314.6)

14) **Consistency with Bicycle Plan** (required for bicycle claims only)
Claimant certifies that all of the purposes for claim expenditures are in conformance with the City/Town or County bicycle plan.

15) **Part-Time Employees** (Applies only to claims for STA)
Claimant certifies that it is not precluded by any contract entered into on or after June 28, 1979, from employing part-time drivers or contracting with common carriers of persons operating under a franchise or license. Claimant further certifies that no person who was a Full-time employee on June 28, 1979, shall have his/her employment terminated or his/her Regular hours of employment, excluding overtime, reduced as a result of it employing part-time drivers or contracting with such common carriers.

N/A
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE
CITY MANAGER TO FILE A CLAIM FOR FISCAL YEAR 2018/19
TRANSPORTATION DEVELOPMENT ACT FUNDS FROM LOCAL
TRANSPORTATION FUND AND FROM STATE TRANSIT ASSISTANCE FUND

========================================================================

WHEREAS, the Transportation Development Act (TDA) provides two major sources of
funding for public transportation projects: Local Transportation Fund (LTF) and State Transit
Assistance (STA), which are apportioned to counties based on population, taxable sales, and
transit performance; and

WHEREAS, under the provisions of the TDA, the City is required to make an annual
claim for LTF and STA funds. The claim is submitted to the State of California through the
San Joaquin Council of Governments (SJCOG), the regional transportation planning agency
designated by the State to administer and allocate TDA funds to eligible agencies in
San Joaquin County; and

WHEREAS, Lodi’s TDA claim for Fiscal Year 2018/19 is $3,263,189, which includes the
following summarized below:

<table>
<thead>
<tr>
<th></th>
<th>LTF</th>
<th>STA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Operations</td>
<td>$1,200,000</td>
<td>$1,200,000</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>Transit Capital Projects</td>
<td>$454,820</td>
<td>$26,863</td>
<td>$481,683</td>
</tr>
<tr>
<td>Pedestrian/Bicycle Projects</td>
<td>$87,262</td>
<td>$87,262</td>
<td>$174,524</td>
</tr>
<tr>
<td>Streets/Roads Projects</td>
<td>$1,421,509</td>
<td>$1,421,509</td>
<td>$2,843,018</td>
</tr>
<tr>
<td>SJCOG Planning and Administration</td>
<td>$72,735</td>
<td></td>
<td>$72,735</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td>$3,236,326</td>
<td>$26,863</td>
<td>$3,263,189</td>
</tr>
</tbody>
</table>

WHEREAS, the City Manager may make minor adjustments when filing the final claim,
based upon SJCOG review and comments; and

WHEREAS, staff recommends authorizing the City Manager to file a claim for
Fiscal Year 2018/19 Transportation Development Act Funds from Local Transportation Fund, in
the amount of $3,236,326, and State Transit Assistance Fund in the amount of $26,863.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize the City Manager to file a claim for Fiscal Year 2018/19 Transportation Development
Act Funds from Local Transportation Fund, in the amount of $3,236,326, and State Transit
Assistance Fund in the amount of $26,863; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize the
City Manager to make minor adjustments before filing the final claim, based upon San Joaquin
Council of Governments review and comment.

Dated: July 17, 2019

========================================================================

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City
Council of the City of Lodi in a regular meeting held July 17, 2019 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-____
AGENDA TITLE: Adopt Resolution Authorizing Police Chief to Accept Grant and Execute Contract Administered by the Department of Alcoholic Beverage Control and Appropriate Funds ($41,601)

MEETING DATE: July 17, 2019

PREPARED BY: Chief of Police

RECOMMENDED ACTION: Adopt resolution authorizing Police Chief to accept grant and execute contract administered by the Department of Alcoholic Beverage Control and appropriate funds in the amount of $41,601.

BACKGROUND INFORMATION: The Department of Alcoholic Beverage Control (ABC) Grant Assistance Program solicited applications in March of 2019 for alcohol-related enforcements and educational programs. On May 20th, the Lodi Police Department received an acceptance letter securing grant funds in the amount of $41,601 for Fiscal Year 2019/20.

The ABC Grant Assistance Program is designed to assist departments in educating licensees and the public about alcohol-related laws, reduce the amount of alcohol sold to individuals under age 21 by ABC licensees, and reduce crime and quality-of-life issues related to the sale and consumption of alcohol.

Last year, the Lodi Police Department received an award to carry out “shoulder tap” enforcements, “minor decoy” operations and other special event enforcements throughout the community. The department intends to use these grant funds for these operations in the upcoming fiscal year. The grant process requires the City Council to authorize the acceptance of funds and approve the proposed expenditures for the City of Lodi through this resolution.

FISCAL IMPACT: Funds in the amount of $41,601 be appropriated to accounts 21900000.56401 (revenue) and 21999000.77020 (expense).

FUNDING AVAILABLE: Not applicable.

___________________________________________
Andrew Keys
Deputy City Manager/Internal Services Director

___________________________________________
Tod Patterson
Chief of Police

___________________________________________
Stephen Schwabauer, City Manager
STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

STANDARD AGREEMENT

AGREEMENT NUMBER
19G-LA21

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

CONTRACTOR NAME
City of Lodi through the Lodi Police Department

2. The term of this Agreement is:

START DATE
July 1, 2019

THROUGH END DATE
June 30, 2020

3. The maximum amount of this Agreement is:

$41,601

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

<table>
<thead>
<tr>
<th>EXHIBITS</th>
<th>TITLE</th>
<th>PAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit A</td>
<td>Scope of Work</td>
<td>4</td>
</tr>
<tr>
<td>Exhibit B</td>
<td>Budget Detail and Payment Provisions</td>
<td>3</td>
</tr>
<tr>
<td>Exhibit C*</td>
<td>General Terms and Conditions GTC 04/2017</td>
<td>04/2017</td>
</tr>
<tr>
<td>Exhibit D</td>
<td>Special Terms and Conditions</td>
<td>1</td>
</tr>
</tbody>
</table>

*Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
These documents can be viewed at [https://www.dgs.ca.gov/OLS/Resources](https://www.dgs.ca.gov/OLS/Resources)

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

City of Lodi through the Lodi Police Department

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

CONTRACTOR BUSINESS ADDRESS
215 W Elm Street

CITY
Lodi

STATE
CA

ZIP
95240

PRINTED NAME OF PERSON SIGNING
Tod Patterson

TITLE
Chief

CONTRACTOR AUTHORIZED SIGNATURE

DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS
3927 Lennane Drive, Suite 100

CITY
Sacramento

STATE
CA

ZIP
95834

PRINTED NAME OF PERSON SIGNING
Pattye Nelson

TITLE
Chief, Business Management Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)
SCOPE OF WORK

1. Summary

The City of Lodi Police Department is a municipal police department serving a population of about 65,844 residents within a geographical area of approximately 13.88 square miles. Lodi is a modern city with a vibrant downtown, but remains agrarian-based with strong ties to the wine grape industry. In addition to being known as the "Zinfandel Capital of the World", Lodi has experienced recent growth in the craft beer industry. Lodi is host to a number of special events related to both wine and beer. These events include the annual ZinFest, annual Spring Wine Show, bi-annual Lodi Wine Stroll, annual Lodi Beer Fest, and annual Lodi Craft Beer Festival. These events, in addition to many other smaller events, involve ABC licensees and impact police services.

The Lodi Police Department currently employs 66 sworn officers and 114 total personnel. As of February 2019, the Lodi City Council voted to increase the sworn officer staffing allotment from 71 officers to 77 officers. However, it is not expected that we will reach our allotment in actuality until late 2019 or early 2020. The supporting documentation of our current staffing allotment is attached to this RFP as City of Lodi Council Communication Agenda Item H-04, dated February 6th, 2019. This information can also be found at https://www.lodi.gov/AgendaCenter/ViewFile/Agenda_02062019-391. By comparison, the Lodi Police department had 78 sworn officers and about 130 total personnel in 2006, when the city had a population of 4,000 fewer residents. The police department is headed by the Chief of Police, followed by 2 Captains, 5 Lieutenants, 9 Sergeants, and currently, 49 line-level sworn personnel. Historically, the Lodi Police Department has staffed a variety of units and specialized assignments. But with the economic downturn that began in 2007, vacancies occurring through attrition were "frozen", resulting in understaffed units and the elimination of some assignments altogether. While the Lodi Police Department has been actively recruiting to fill vacancies in recent years, we remain well below 2006 staffing levels, and certain services have never been revitalized. Among those discontinued positions are 2 full time bicycle officer positions that were previously responsible for Lodi’s downtown area. This was a devastating loss as it relates to the police department's relationship with retailers, including a number of ABC licensees, in the downtown area. Our downtown includes a number of bars, clubs, breweries, wine tasting rooms, restaurants, and 2 liquor stores. This area is also utilized for a number of special events, such as a seasonal weekly Farmer's Market and other events that frequently involve ABC special event permits. There are currently a total of 174 active ABC licenses within Lodi’s city limits, which gives us one of the highest number of licenses per capita out of the cities in San Joaquin County. These licenses consist of 73 off-sale licensed locations and 101 on-sale licensed locations.

The Lodi Police Department is seeking funds in the amount of $41,601 from the Department of Alcoholic Beverage Control through the Alcohol Policing Partnership Program. These funds will be utilized to educate ABC licensees and the public about alcohol related laws, help reduce the amount of alcohol both sold and furnished to minors, reduce criminal activity with a nexus to alcohol consumption, and address quality of life issues related to the sale and consumption of alcohol. The Lodi Police Department has a staff of experienced officers and supervisors who understand that irresponsible alcohol consumption is a catalyst for criminal activity. We also understand that irresponsible alcohol consumption can be minimized by the actions of responsible ABC licensees. We have supervisors and officers who are familiar with the requirements for managing and implementing grants, including the ABC GAP grant. We have experience partnering with other agencies, private businesses and organizations, and other departments in the City to achieve these goals. We are ready to use a combination of enforcement operations and educational programs to achieve our objective; to reduce crime and quality of life issues related to irresponsible consumption of alcohol.
2. Problem Statement

The Lodi Police Department has an operational philosophy and utilizes strategies that marry education with enforcement to help reduce alcohol related crime, address quality of life issues associated with alcohol consumption, and reduce alcohol related traffic collisions along with the injuries and deaths caused by those collisions. We have, in the past, been awarded grants by the Office of Traffic Safety to focus enforcement efforts on impaired driving and other driving conduct that causes injury and death. In 2014, the Lodi Police Department partnered with the Lodi Unified School District to bring the "Impact Teen Drivers" educational program to local high school students. For over the last decade the Lodi Police Department has also partnered with the California Highway Patrol to bring the "Every 15 Minutes" program to local high schools. We were awarded an ABC GAP grant for the 15-16 and 16-17 fiscal years. This allowed us to continue to build on the partnership we established with ABC. We did not receive an ABC GAP grant for the 17-18 fiscal year; however we were awarded an ABC–OTS grant to continue our efforts to keep alcohol away from our youth and to educate licensees regarding responsible alcohol sales and service. The Lodi Police Department was awarded the ABC APP grant for the 18-19 fiscal year, and we are on pace to exceed the goals and objectives of that project.

Despite all of the aforementioned efforts there still clearly exists a need for the Lodi Police Department to continue to combat alcohol related crime through a multi-pronged approach with the assistance of the Department of Alcoholic Beverage Control. The O.T.S Traffic Safety Rating for 2016 (the most recent year for which data is available) shows that the City of Lodi has on overall, or composite, ranking of 51st out of 104 cities similar in size. The lower the ranking the worse the score; in this case the City of Lodi is in the bottom half of cities similar in size. In 2016 the City of Lodi was also ranked 36th out of 104 cities similar in size for the number of collisions in which alcohol was involved.

The City of Lodi also has a higher number of active retail liquor licenses, per capita, than other cities in our county. The chart below shows a comparison between five cities in San Joaquin County in relation to population and liquor licenses. The City of Lodi currently has one active retail liquor license for every 378 residents. In addition in 2018, there were 187 DUI arrests, 62 DUI collisions, 344 public intoxication arrests, 130 open alcoholic container citations, 18 arrests for furnishing alcohol to a minor, and approximately 61 other reports listed as liquor law violations. Our poor traffic safety rankings (51st out of 104 cities similar in size), our high number of active liquor licenses per capita, and the high number of alcohol related incidents/arrests makes the City of Lodi an ideal place to implement the Minor Decoy, Shoulder Tap, Trap Door and Cops in Shops operations. We also have the facilities and staff capable of educating the licensees and public by hosting LEAD classes.

<table>
<thead>
<tr>
<th>City</th>
<th># Active Retail Liquor Licenses*</th>
<th>Population**</th>
<th>Licenses per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodi</td>
<td>174</td>
<td>65,884</td>
<td>1 / 378</td>
</tr>
<tr>
<td>Stockton</td>
<td>490</td>
<td>310,496</td>
<td>1 / 634</td>
</tr>
<tr>
<td>Manteca</td>
<td>133</td>
<td>79,268</td>
<td>1 / 596</td>
</tr>
<tr>
<td>Tracy</td>
<td>155</td>
<td>90,889</td>
<td>1 / 586</td>
</tr>
<tr>
<td>Ripon</td>
<td>42</td>
<td>15,677</td>
<td>1 / 373</td>
</tr>
</tbody>
</table>

*License information as of June 2018 **Population information estimates as of 2017 national census
SCOPE OF WORK

The Lodi Police Department's efforts will be focused on licensees within the City of Lodi. We will focus our efforts on problem businesses, problem areas and problem crimes related to the consumption of alcohol. We will give extra attention to our downtown area which has a high density of ABC licensed businesses. We frequently receive complaints from downtown businesses regarding vandalism, public intoxication and "open container" violations. Geographically, our downtown is one of our smallest response areas (one of 5 response areas, or "beats" in the City) but it has one of the highest volumes for calls for service. In the period from 01/01/18 through 12/31/18 there were 11,624 calls for service in the downtown area—which makes up about 21% of all calls for service in the City. The ABC Grant Assistance Program will allow the police department to better track and report these crimes, as well as provide education and extra enforcement to reduce these crimes.

3. Project Description

The Grant Assistance Program funds will be used by the Lodi Police Department to achieve the following goals during this grant cycle.

1. Identify and target problematic ABC licensed establishments, and to continue our current efforts, working with ABC, to take legal and administrative action against problem licensees.

2. Partner with other agencies, including ABC, other departments in the City, including Code Enforcement and the Special Events coordinator, and private organizations, including the Chamber of Commerce, to develop and implement a multi-pronged approach to addressing crime and quality of life issues associated with the consumption of alcohol.

3. Continue our ongoing education within the department to make certain our officers are aware of standard operating ABC enforcement procedures and authorities.

4. Prepare a written evaluation of the existing system of transmitting arrest reports involving licensees to the ABC (as required by Section 24202 Business & Professions Code) and implement a new/improved system of transmitting arrest reports by 12/31/19.

5. Increase communication and involvement with local community groups and citizen action committees by meeting with them at least 2 times.

6. Conduct 2 task force operations targeting ABC licensed premises.

7. Conduct at least 4 minor decoy operations.

8. Conduct at least 4 "Shoulder Tap" operations.

9. Conduct at least 2 "Cops in Shops" operations.

10. Conduct at least 2 “Trap Door” operations.

11. Provide 12 (monthly) roll call trainings on alcohol-related issues for all sworn personnel.
SCOPE OF WORK

12. Coordinate and conduct 3 IMPACT Operations.

13. Schedule, coordinate, host, and teach (as needed) 2 LEAD classes.

14. Develop a policy and procedure to inform citizens in our community about this project, and give periodic updates on the status and accomplishments of the project.

15. Issue 12 (monthly) press releases regarding the grant and/or the activities conducted under the grant utilizing the local newspaper, social media such as Facebook, Twitter, Instagram and YouTube.

16. Assign officers to focus on alcohol related crime and issues on a regular basis (on Friday, or Saturday, or during special events) in the downtown area, and other areas where these events are hosted. Utilize 40 special enforcement operations.

4. Project Personnel

The implementation of this grant will be assigned to the Patrol Division, commanded by Captain Sierra Brucia, and will be augmented by personnel from the Investigations Division, commanded by Captain David Griffin. This grant will be managed, implemented and supervised by Sergeant Josh Redding, who currently supervises Patrol, Canine, Mobile Field Force, Field Training Program, and the 18-19 ABC APP grant. He is assigned to the Patrol Division as a field supervisor. Media releases for this project will be handled by Sergeant Rick Garcia who currently supervises our General Investigations Unit and is a Public Information Officer. He has 10 years of law enforcement experience and has previously supervised the ABC Grant for three fiscal years (15-16, 16-17 ABC GAP Grants and the 17-18 ABC-OTS Grant).

These operations will be staffed by sworn officers on an overtime basis. These officers may come from either the Patrol Division, or Investigations Division as necessary to adequately and effectively staff the operations. Crime Analyst, Lt. Mike Kermgard (rtd.), will be utilized to compile statistical data related to the grant and grant funded operations. Public Safety Analyst, Jennelle Baker-Bechthold, will prepare the financial reports related to the grant and grant funded operations. We have a police Cadet Program which allows citizens from ages 16-24 to become working, volunteer members of the police department. We have in the past used some of these Cadets, under the age of 21, to purchase or attempt to purchase alcohol from licensees in the City of Lodi. We intend to use these Cadets and Cadets from our high school ROP program, to conduct "minor decoy" and "shoulder tap" operations. We have several officers with teaching experience and officers who are POST certified Academy Instructors who can facilitate LEAD (Licensee Education on Alcohol and Drugs) classes hosted by the Lodi Police Department in our own community multi-use room. In addition to the grant funded operations, the Lodi Police Department will staff community outreach events, like “What’s My BAC” booths and other community outreach events to further educate the public regarding alcohol related issues.

The Lodi Police Department, like so many other departments in the state, has seen a reduction in staffing levels and a reduction in special operations due to budget constraints. Funding from the ABC Grant Assistance Program will allow the Lodi Police Department to proactively educate the public about the dangers of under-age drinking. This funding will allow us to proactively look for violations, make arrests, and prosecute those who choose to violate the laws related to the sale and consumption of alcohol. Let's keep the "Zinfandel Capital of the World" both "Livable" and "Loveable."
### BUDGET DETAIL

#### BUDGET CATEGORY AND LINE-ITEM DETAIL

<table>
<thead>
<tr>
<th>Personnel Services (Straight Time Salaries, Overtime, and Benefits)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A.1 Straight Time</strong> (No straight time is anticipated for this project)</td>
</tr>
<tr>
<td><strong>A.2 Overtime</strong> (Ofc. O/T salary @ 73.84/hour, Sgt. O/T salary @ 86.69/hour)</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 2x Task Force Operations targeting ABC Licensees</td>
<td>$2,812</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2. 4x Minor Decoy Operations</td>
<td>$5,624</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3. 4x Shoulder Tap Operations</td>
<td>$5,624</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4. 2x Cops in Shops Operations</td>
<td>$2,812</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>5. 2x IMPACT Compliance Check Operations (Estimate contacting at least 10 licensees)</td>
<td>$2,812</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6. 2x LEAD classes</td>
<td>$868</td>
</tr>
<tr>
<td>1 Sergeant, 5 hours per class</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7. 40x Officer Assigned to Special Enforcement</td>
<td>$17,722</td>
</tr>
<tr>
<td>1 Officer, 6 hours per operation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>8. 2x Trap Door Operations</td>
<td>$1,875</td>
</tr>
<tr>
<td>2 Officers per Operation, 4 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 4 hours per operation</td>
<td></td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A.3 Benefits</strong> (Estimated at 1.5% of Salary x $40,149)</td>
<td>$602</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL PERSONNEL SERVICES</strong></td>
<td><strong>$40,751</strong></td>
</tr>
<tr>
<td>Description</td>
<td>Amount</td>
</tr>
<tr>
<td>-----------------------------------------------------------------------------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>B. Operating Expenses (maximum $2,500)</strong></td>
<td></td>
</tr>
<tr>
<td>B1. Minor Decoy and Shoulder Tap Operations &quot;buy money&quot;</td>
<td>$200</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSES</td>
<td>$200</td>
</tr>
<tr>
<td><strong>C. Equipment (maximum $2,500)</strong></td>
<td></td>
</tr>
<tr>
<td>(Attach receipts for all equipment purchases to monthly billing invoice)</td>
<td></td>
</tr>
<tr>
<td>No equipment purchases are anticipated for this project.</td>
<td></td>
</tr>
<tr>
<td>TOTAL EQUIPMENT</td>
<td>$0</td>
</tr>
<tr>
<td><strong>D. Travel Expense/Registration Fees (maximum $2,500)</strong></td>
<td></td>
</tr>
<tr>
<td>D1. Registration for July APP Conference, 2 attendees @ $325.00 each</td>
<td>$650</td>
</tr>
<tr>
<td>TOTAL TRAVEL EXPENSE</td>
<td>$650</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET DETAIL COST, ALL CATEGORIES</strong></td>
<td>$41,601</td>
</tr>
</tbody>
</table>
1. INVOICING AND PAYMENT: Payments of approved reimbursable costs (per Budget Detail attached) shall be in arrears and made via the State Controller's Office. Invoices shall be submitted in duplicate on a **monthly basis** in a format specified by the State. Failure to submit invoices and reports in the required format shall relieve the State from obligation of payment. Payments will be in arrears, within 30 days of Department acceptance of Contractor performance, pursuant to this agreement or receipt of an undisputed invoice, whichever occurs last. Nothing contained herein shall prohibit advance payments as authorized by Item 2100-101-3036, Budget Act, Statutes of 2019.

2. Revisions to the “Scope of Work” and the “Budget Detail” may be requested by a change request letter submitted by the Contractor. If approved by the State, the revised Grant Assistance Scope of Work and/or Budget Detail supersede and replace the previous documents bearing those names. No revision can exceed allotted amount as shown on Budget Detail. The total amount of the contract must remain unchanged.

3. Contractor agrees to refund to the State any amounts claimed for reimbursement and paid to Contractor which are later disallowed by the State after audit or inspection of records maintained by the Contractor.

4. Only the costs displayed in the "Budget Detail" are authorized for reimbursement by the State to Contractor under this agreement. Any other costs incurred by Contractor in the performance of this agreement are the sole responsibility of Contractor.

5. Title shall be reserved to the State for any State-furnished or State-financed property authorized by the State which is not fully consumed in the performance of this agreement. Contractor is responsible for the care, maintenance, repair, and protection of any such property. Inventory records shall be maintained by Contractor and submitted to the State upon request. All such property shall be returned to the State upon the expiration of this contract unless the State otherwise directs.

6. If travel is a reimbursable item, the reimbursement for necessary traveling expenses and per diem shall be at rates set in accordance with Department of Personnel Administration rates set for comparable classes of State employees. No travel outside of the State of California shall be authorized. No travel shall be authorized outside of the legal jurisdiction of Contractor without prior authorization by the State.
7. Prior authorization by the State in writing is required before Contractor will be reimbursed for any purchase order or subcontract exceeding $2,500 for any articles, supplies, equipment, or services to be purchased by Contractor and claimed for reimbursement. Contractor must justify the necessity for the purchase and the reasonableness of the price or cost by submitting three competitive quotations or justifying the absence of bidding.

8. Prior approval by the State in writing is required for the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop or conference, and over any reimbursable publicity or educational materials to be made available for distribution. Contractor is required to acknowledge the support of the State whenever publicizing the work under the contract in any media.

9. It is understood between the parties that this contract may have been written before ascertaining the availability of appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the contracts were executed after that determination was made.

10. BUDGET CONTINGENCY CLAUSE - It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

Updated 1/17/19
Special Terms and Conditions

1. **Disputes**: Any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Director, Department of Alcoholic Beverage Control, or designee, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Department shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the State a written appeal addressed to the Director, Department of Alcoholic Beverage Control. The decision of the Director of Alcoholic Beverage Control or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the State.

2. **Termination Without Cause**: Either party may terminate this agreement at any time for any reason upon ten (10) days written notice. No penalty shall accrue to either party because of contract termination.

3. **Contract Validity**: This contract is valid and enforceable only if adequate funds are appropriated in Item 2100-101-3036, Budget Act of 2019, for the purposes of this program.

4. **Contractor Certifications**: By signing this agreement, Contractor certifies compliance with the provisions of CCC 04/2017, Standard Contractor Certification Clauses. This document may be viewed at https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language.

5. If the State determines that the grant project is not achieving its goals and objectives on schedule, funding may be reduced by the State to reflect this lower level of project activity.

Updated 2/20/19
RESOLUTION NO. 2019-__
A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE POLICE CHIEF TO ACCEPT A GRANT AND EXECUTE
CONTRACT ADMINISTERED BY THE DEPARTMENT OF
ALCOHOLIC BEVERAGE CONTROL; AND FURTHER
APPROPRIATING FUNDS

============================================

WHEREAS, the City of Lodi Police Department desires to undertake a certain project
designated as Agreement Number 18G-LA23 to be funded in part from funds made available
through the Alcohol Policing Partnership Program (APP) administered by the Department of
Alcoholic Beverage Control (hereafter referred to as ABC).

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby
authorize the Police Chief to execute the attached contract, including any extensions or
amendments thereof and any subsequent contract with the State in relation thereto grant award
on behalf of the City of Lodi to the Department of Alcoholic Beverage Control; and

BE IT FURTHER RESOLVED that any liability arising out of the performance of this
contract, including civil court actions for damages, shall be the responsibility of the grant
recipient and the authorizing agency. The State of California and ABC disclaim responsibility for
any such liability; and

BE IT FURTHER RESOLVED that this award is not subject to local hiring freezes; and

BE IT FURTHER RESOLVED that funds in the amount of $41,601 be appropriated to
accounts 21900000.56401 (revenue) and 21999000.77020 (expense).

Dated: July 17, 2019
============================================

I hereby certify that Resolution No. 2019-__ was passed and adopted by the City
Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk

2019-____
STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES
STANDARD AGREEMENT
STD 213 (Rev. 05/2019)

AGREEMENT NUMBER
19G-LA21

PURCHASING AUTHORITY NUMBER (If Applicable)

1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL

CONTRACTOR NAME
City of Lodi through the Lodi Police Department

2. The term of this Agreement is:

START DATE
July 1, 2019

THROUGH END DATE
June 30, 2023

3. The maximum amount of this Agreement is:

$41,601

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

<table>
<thead>
<tr>
<th>EXHIBITS</th>
<th>TITLE</th>
<th>PAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit A</td>
<td>Scope of Work</td>
<td>4</td>
</tr>
<tr>
<td>Exhibit B</td>
<td>Budget Detail and Payment Provisions</td>
<td>3</td>
</tr>
<tr>
<td>Exhibit C *</td>
<td>General Terms and Conditions GTC 04/2017</td>
<td>04/2017</td>
</tr>
<tr>
<td>Exhibit D</td>
<td>Special Terms and Conditions</td>
<td>1</td>
</tr>
</tbody>
</table>

*Items shown with an asterisk (*) are hereby incorporated by reference and made part of this agreement as if attached hereto.

These documents can be viewed at https://www.dgs.ca.gov/OLS/Resources

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)
City of Lodi through the Lodi Police Department

CONTRACTOR BUSINESS ADDRESS
215 W Elm Street

PRINTED NAME OF PERSON SIGNING
Tod Patterson

CONTRACTOR AUTHORIZED SIGNATURE

CITY
Lodi

STATE
CA

ZIP
95240

TITLE
Chief

DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS
3927 Lennane Drive, Suite 100

PRINTED NAME OF PERSON SIGNING
Patty Nelson

CONTRACTING AGENCY AUTHORIZED SIGNATURE

CITY
Sacramento

STATE
CA

ZIP
95834

TITLE
Chief, Business Management Branch

DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL

EXEMPTION (If Applicable)
SCOPE OF WORK

1. Summary

The City of Lodi Police Department is a municipal police department serving a population of about 65,844 residents within a geographical area of approximately 13.88 square miles. Lodi is a modern city with a vibrant downtown, but remains agrarian-based with strong ties to the wine grape industry. In addition to being known as the "Zinfandel Capital of the World", Lodi has experienced recent growth in the craft beer industry. Lodi is host to a number of special events related to both wine and beer. These events include the annual ZinFest, annual Spring Wine Show, bi-annual Lodi Wine Stroll, annual Lodi Beer Fest, and annual Lodi Craft Beer Festival. These events, in addition to many other smaller events, involve ABC licensees and impact police services.

The Lodi Police Department currently employs 66 sworn officers and 114 total personnel. As of February 2019, the Lodi City Council voted to increase the sworn officer staffing allotment from 71 officers to 77 officers. However, it is not expected that we will reach our allotment in actuality until late 2019 or early 2020. The supporting documentation of our current staffing allotment is attached to this RFP as City of Lodi Council Communication Agenda Item H-04, dated February 6th, 2019. This information can also be found at https://www.lodi.gov/AgendaCenter/ViewFile/Agenda/02062019-391. By comparison, the Lodi Police department had 78 sworn officers and about 130 total personnel in 2006, when the city had a population of 4,000 fewer residents. The police department is headed by the Chief of Police, followed by 2 Captains, 5 Lieutenants, 9 Sergeants, and currently, 49 line-level sworn personnel. Historically, the Lodi Police Department has staffed a variety of units and specialized assignments. But with the economic downturn that began in 2007, vacancies occurring through attrition were "frozen", resulting in understaffed units and the elimination of some assignments altogether. While the Lodi Police Department has been actively recruiting to fill vacancies in recent years, we remain well below 2006 staffing levels, and certain services have never been revitalized. Among those discontinued positions are 2 full time bicycle officer positions that were previously responsible for Lodi's downtown area. This was a devastating loss as it relates to the police department's relationship with retailers, including a number of ABC licensees, in the downtown area. Our downtown includes a number of bars, clubs, breweries, wine tasting rooms, restaurants, and 2 liquor stores. This area is also utilized for a number of special events, such as a seasonal weekly Farmer's Market and other events that frequently involve ABC special event permits. There are currently a total of 174 active ABC licenses within Lodi's city limits, which gives us one of the highest number of licenses per capita out of the cities in San Joaquin County. These licenses consist of 73 off-sale licensed locations and 101 on-sale licensed locations.

The Lodi Police Department is seeking funds in the amount of $41,601 from the Department of Alcoholic Beverage Control through the Alcohol Policing Partnership Program. These funds will be utilized to educate ABC licensees and the public about alcohol related laws, help reduce the amount of alcohol sold and furnished to minors, reduce criminal activity with a nexus to alcohol consumption, and address quality of life issues related to the sale and consumption of alcohol. The Lodi Police Department has a staff of experienced officers and supervisors who understand that irresponsible alcohol consumption is a catalyst for criminal activity. We also understand that irresponsible alcohol consumption can be minimized by the actions of responsible ABC licensees. We have supervisors and officers who are familiar with the requirements for managing and implementing grants, including the ABC GAP grant. We have experience partnering with other agencies, private businesses and organizations, and other departments in the City to achieve these goals. We are ready to use a combination of enforcement operations and educational programs to achieve our objective; to reduce crime and quality of life issues related to irresponsible consumption of alcohol.
2. Problem Statement

The Lodi Police Department has an operational philosophy and utilizes strategies that marry education with enforcement to help reduce alcohol related crime, address quality of life issues associated with alcohol consumption, and reduce alcohol related traffic collisions along with the injuries and deaths caused by those collisions. We have, in the past, been awarded grants by the Office of Traffic Safety to focus enforcement efforts on impaired driving and other driving conduct that causes injury and death. In 2014, the Lodi Police Department partnered with the Lodi Unified School District to bring the "Impact Teen Drivers" educational program to local high school students. For over the last decade the Lodi Police Department has also partnered with the California Highway Patrol to bring the "Every 15 Minutes" program to local high schools. We were awarded an ABC GAP grant for the 15-16 and 16-17 fiscal years. This allowed us to continue to build on the partnership we established with ABC. We did not receive an ABC GAP grant for the 17-18 fiscal year; however we were awarded an ABC-OTS grant to continue our efforts to keep alcohol away from our youth and to educate licensees regarding responsible alcohol sales and service. The Lodi Police Department was awarded the ABC APP grant for the 18-19 fiscal year; and we are on pace to exceed the goals and objectives of that project.

Despite all of the aforementioned efforts there still clearly exists a need for the Lodi Police Department to continue to combat alcohol related crime through a multi-pronged approach with the assistance of the Department of Alcoholic Beverage Control. The O.T.S Traffic Safety Rating for 2016 (the most recent year for which data is available) shows that the City of Lodi has an overall, or composite, ranking of 51st out of 104 cities similar in size. The lower the ranking the worse the score; in this case the City of Lodi is in the bottom half of cities similar in size. In 2016 the City of Lodi was also ranked 36th out of 104 cities similar in size for the number of collisions in which alcohol was involved.

The City of Lodi also has a higher number of active retail liquor licenses, per capita, than other cities in our county. The chart below shows a comparison between five cities in San Joaquin County in relation to population and liquor licenses. The City of Lodi currently has one active retail liquor license for every 378 residents. In addition in 2018, there were 187 DUI arrests, 62 DUI collisions, 344 public intoxication arrests, 130 open alcoholic container citations, 18 arrests for furnishing alcohol to a minor, and approximately 61 other reports listed as liquor law violations. Our poor traffic safety rankings (51st out of 104 cities similar in size), our high number of active liquor licenses per capita, and the high number of alcohol related incidents/arrests makes the City of Lodi an ideal place to implement the Minor Decoy, Shoulder Tap, Trap Door and Cops in Shops operations. We also have the facilities and staff capable of educating the licensees and public by hosting LEAD classes.

<table>
<thead>
<tr>
<th>City</th>
<th># Active Retail Liquor Licenses*</th>
<th>Population**</th>
<th>Licenses per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodi</td>
<td>174</td>
<td>65,884</td>
<td>1 / 378</td>
</tr>
<tr>
<td>Stockton</td>
<td>490</td>
<td>310,496</td>
<td>1 / 634</td>
</tr>
<tr>
<td>Manteca</td>
<td>133</td>
<td>79,268</td>
<td>1 / 596</td>
</tr>
<tr>
<td>Tracy</td>
<td>155</td>
<td>90,889</td>
<td>1 / 586</td>
</tr>
<tr>
<td>Ripon</td>
<td>42</td>
<td>15,677</td>
<td>1 / 373</td>
</tr>
</tbody>
</table>

*License information as of June 2018  **Population information estimates as of 2017 national census
SCOPE OF WORK

The Lodi Police Department's efforts will be focused on licensees within the City of Lodi. We will focus our efforts on problem businesses, problem areas and problem crimes related to the consumption of alcohol. We will give extra attention to our downtown area which has a high density of ABC licensed businesses. We frequently receive complaints from downtown businesses regarding vandalism, public intoxication and "open container" violations. Geographically, our downtown is one of our smallest response areas (one of 5 response areas, or "beats" in the City) but it has one of the highest volumes for calls for service. In the period from 01/01/18 through 12/31/18 there were 11,624 calls for service in the downtown area—which makes up about 21% of all calls for service in the City. The ABC Grant Assistance Program will allow the police department to better track and report these crimes, as well as provide education and extra enforcement to reduce these crimes.

3. Project Description

The Grant Assistance Program funds will be used by the Lodi Police Department to achieve the following goals during this grant cycle.

1. Identify and target problematic ABC licensed establishments, and to continue our current efforts, working with ABC, to take legal and administrative action against problem licensees.

2. Partner with other agencies, including ABC, other departments in the City, including Code Enforcement and the Special Events coordinator, and private organizations, including the Chamber of Commerce, to develop and implement a multi-pronged approach to addressing crime and quality of life issues associated with the consumption of alcohol.

3. Continue our ongoing education within the department to make certain our officers are aware of standard operating ABC enforcement procedures and authorities.

4. Prepare a written evaluation of the existing system of transmitting arrest reports involving licensees to the ABC (as required by Section 24202 Business & Professions Code) and implement a new/improved system of transmitting arrest reports by 12/31/19.

5. Increase communication and involvement with local community groups and citizen action committees by meeting with them at least 2 times.

6. Conduct 2 task force operations targeting ABC licensed premises.

7. Conduct at least 4 minor decoy operations.

8. Conduct at least 4 "Shoulder Tap" operations.

9. Conduct at least 2 "Cops in Shops" operations.

10. Conduct at least 2 "Trap Door" operations.

11. Provide 12 (monthly) roll call trainings on alcohol-related issues for all sworn personnel.
SCOPE OF WORK

12. Coordinate and conduct 3 IMPACT Operations.

13. Schedule, coordinate, host, and teach (as needed) 2 LEAD classes.

14. Develop a policy and procedure to inform citizens in our community about this project, and give periodic updates on the status and accomplishments of the project.

15. Issue 12 (monthly) press releases regarding the grant and/or the activities conducted under the grant utilizing the local newspaper, social media such as Facebook, Twitter, Instagram and YouTube.

16. Assign officers to focus on alcohol related crime and issues on a regular basis (on Friday, or Saturday, or during special events) in the downtown area, and other areas where these events are hosted. Utilize 40 special enforcement operations.

4. Project Personnel

The implementation of this grant will be assigned to the Patrol Division, commanded by Captain Sierra Brucia, and will be augmented by personnel from the Investigations Division, commanded by Captain David Griffin. This grant will be managed, implemented and supervised by Sergeant Josh Redding, who currently supervises Patrol, Canine, Mobile Field Force, Field Training Program, and the 18-19 ABC APP grant. He is assigned to the Patrol Division as a field supervisor. Media releases for this project will be handled by Sergeant Rick Garcia who currently supervises our General Investigations Unit and is a Public Information Officer. He has 10 years of law enforcement experience and has previously supervised the ABC Grant for three fiscal years (15-16, 16-17 ABC GAP Grants and the 17-18 ABC-OTS Grant).

These operations will be staffed by sworn officers on an overtime basis. These officers may come from either the Patrol Division, or Investigations Division as necessary to adequately and effectively staff the operations. Crime Analyst, Lt. Mike Kermgard (rtd), will be utilized to compile statistical data related to the grant and grant funded operations. Public Safety Analyst, Jennelle Baker-Bechthold, will prepare the financial reports related to the grant and grant funded operations. We have a police Cadet Program which allows citizens from ages 16-24 to become working, volunteer members of the police department. We have in the past used some of these Cadets, under the age of 21, to purchase or attempt to purchase alcohol from licensees in the City of Lodi. We intend to use these Cadets and Cadets from our high school ROP program, to conduct "minor decoy" and "shoulder tap" operations. We have several officers with teaching experience and officers who are POST certified Academy Instructors who can facilitate LEAD (Licensee Education on Alcohol and Drugs) classes hosted by the Lodi Police Department in our own community multi-use room. In addition to the grant funded operations, the Lodi Police Department will staff community outreach events, like “What’s My BAC” booths and other community outreach events to further educate the public regarding alcohol related issues.

The Lodi Police Department, like so many other departments in the state, has seen a reduction in staffing levels and a reduction in special operations due to budget constraints. Funding from the ABC Grant Assistance Program will allow the Lodi Police Department to proactively educate the public about the dangers of under-age drinking. This funding will allow us to proactively look for violations, make arrests, and prosecute those who choose to violate the laws related to the sale and consumption of alcohol. Let's keep the "Zinfandel Capital of the World" both "Livable" and "Loveable."
## BUDGET DETAIL

<table>
<thead>
<tr>
<th>BUDGET CATEGORY AND LINE-ITEM DETAIL</th>
<th>COST</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Personnel Services (Straight Time Salaries, Overtime, and Benefits)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>A.1 Straight Time</strong> (No straight time is anticipated for this project)</td>
<td>$0</td>
</tr>
<tr>
<td><strong>A.2 Overtime</strong> (Ofc. O/T salary @ 75.84/hour, Sgt. O/T salary @ 86.69/hour)</td>
<td></td>
</tr>
<tr>
<td>1. 2x Task Force Operations targeting ABC Licensees</td>
<td>$2,812</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>2. 4x Mirror Decoy Operations</td>
<td>$5,624</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>3. 4x Shoulder Tap Operations</td>
<td>$5,624</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>4. 2x Cops in Shops Operations</td>
<td>$2,812</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>5. 2x IMPACT Compliance Check Operations (Estimate contacting at least 10 licensees)</td>
<td>$2,812</td>
</tr>
<tr>
<td>2 Officers per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>6. 2x LEAD classes</td>
<td>$868</td>
</tr>
<tr>
<td>1 Sergeant, 5 hours per class</td>
<td></td>
</tr>
<tr>
<td>7. 40x Officer Assigned to Special Enforcement</td>
<td>$17,722</td>
</tr>
<tr>
<td>1 Officer, 6 hours per operation</td>
<td></td>
</tr>
<tr>
<td>8. 2x Trap Door Operations</td>
<td>$1,875</td>
</tr>
<tr>
<td>2 Officers per Operation, 4 hours per operation</td>
<td></td>
</tr>
<tr>
<td>1 Sergeant per Operation, 4 hours per operation</td>
<td></td>
</tr>
<tr>
<td><strong>A.3 Benefits</strong> (Estimated at 1.5% of Salary x $40,149)</td>
<td>$602</td>
</tr>
</tbody>
</table>

### TOTAL PERSONNEL SERVICES

$40,751
<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>B. Operating Expenses (maximum $2,500)</strong></td>
<td></td>
</tr>
<tr>
<td>B1. Mirror Decoy and Shoulder Tap Operations &quot;buy money&quot;</td>
<td>$200</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING EXPENSES</strong></td>
<td>$200</td>
</tr>
<tr>
<td><strong>C. Equipment (maximum $2,500)</strong></td>
<td></td>
</tr>
<tr>
<td>(Attach receipts for all equipment purchases to monthly billing invoice)</td>
<td></td>
</tr>
<tr>
<td>No equipment purchases are anticipated for this project.</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL EQUIPMENT</strong></td>
<td>$0</td>
</tr>
<tr>
<td><strong>D. Travel Expense/Registration Fees (maximum $2,500)</strong></td>
<td></td>
</tr>
<tr>
<td>D1. Registration for July APP Conference, 2 attendees @ $325.00 each</td>
<td>$650</td>
</tr>
<tr>
<td><strong>TOTAL TRAVEL EXPENSE</strong></td>
<td>$650</td>
</tr>
<tr>
<td><strong>TOTAL BUDGET DETAIL COST, ALL CATEGORIES</strong></td>
<td>$41,601</td>
</tr>
</tbody>
</table>
1. INVOICING AND PAYMENT: Payments of approved reimbursable costs (per Budget Detail attached) shall be in arrears and made via the State Controller's Office. Invoices shall be submitted in duplicate on a monthly basis in a format specified by the State. Failure to submit invoices and reports in the required format shall relieve the State from obligation of payment. Payments will be in arrears, within 30 days of Department acceptance of Contractor performance, pursuant to this agreement or receipt of an undisputed invoice, whichever occurs last. Nothing contained herein shall prohibit advance payments as authorized by Item 2100-101-3036, Budget Act, Statutes of 2019.

2. Revisions to the “Scope of Work” and the “Budget Detail” may be requested by a change request letter submitted by the Contractor. If approved by the State, the revised Grant Assistance Scope of Work and/or Budget Detail supersede and replace the previous documents bearing those names. No revision can exceed allotted amount as shown on Budget Detail. The total amount of the contract must remain unchanged.

3. Contractor agrees to refund to the State any amounts claimed for reimbursement and paid to Contractor which are later disallowed by the State after audit or inspection of records maintained by the Contractor.

4. Only the costs displayed in the "Budget Detail" are authorized for reimbursement by the State to Contractor under this agreement. Any other costs incurred by Contractor in the performance of this agreement are the sole responsibility of Contractor.

5. Title shall be reserved to the State for any State-furnished or State-financed property authorized by the State which is not fully consumed in the performance of this agreement. Contractor is responsible for the care, maintenance, repair, and protection of any such property. Inventory records shall be maintained by Contractor and submitted to the State upon request. All such property shall be returned to the State upon the expiration of this contract unless the State otherwise directs.

6. If travel is a reimbursable item, the reimbursement for necessary traveling expenses and per diem shall be at rates set in accordance with Department of Personnel Administration rates set for comparable classes of State employees. No travel outside of the State of California shall be authorized. No travel shall be authorized outside of the legal jurisdiction of Contractor without prior authorization by the State.
PAYMENT PROVISION

7. Prior authorization by the State in writing is required before Contractor will be reimbursed for any purchase order or subcontract exceeding $2,500 for any articles, supplies, equipment, or services to be purchased by Contractor and claimed for reimbursement. Contractor must justify the necessity for the purchase and the reasonableness of the price or cost by submitting three competitive quotations or justifying the absence of bidding.

8. Prior approval by the State in writing is required for the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop or conference, and over any reimbursable publicity or educational materials to be made available for distribution. Contractor is required to acknowledge the support of the State whenever publicizing the work under the contract in any media.

9. It is understood between the parties that this contract may have been written before ascertaining the availability of appropriation of funds, for the mutual benefit of both parties, in order to avoid program and fiscal delays that would occur if the contracts were executed after that determination was made.

10. BUDGET CONTINGENCY CLAUSE - It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

Update: 1/17/19
Special Terms and Conditions

1. **Disputes:** Any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Director, Department of Alcoholic Beverage Control, or designee, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Department shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the State a written appeal addressed to the Director, Department of Alcoholic Beverage Control. The decision of the Director of Alcoholic Beverage Control or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the State.

2. **Termination Without Cause:** Either party may terminate this agreement at any time for any reason upon ten (10) days written notice. No penalty shall accrue to either party because of contract termination.

3. **Contract Validity:** This contract is valid and enforceable only if adequate funds are appropriated in Item 2100-101-3036, Budget Act of 2019, for the purposes of this program.

4. **Contractor Certifications:** By signing this agreement, Contractor certifies compliance with the provisions of CCC 04/2017, Standard Contractor Certification Clauses. This document may be viewed at https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language.

5. If the State determines that the grant project is not achieving its goals and objectives on schedule, funding may be reduced by the State to reflect this lower level of project activity.

Updated 2/20/19
AGENDA TITLE: Receive Report Regarding Communication Pertaining to San Joaquin Regional Rail Commission's Fiscal Year 2019 BUILD Grant Application for Stockton Diamond Grade Separation

MEETING DATE: July 17, 2019

PREPARED BY: City Clerk

RECOMMENDED ACTION: Receive report regarding communication pertaining to San Joaquin Regional Rail Commission's Fiscal Year 2019 BUILD Grant application for the Stockton Diamond Grade Separation.

BACKGROUND INFORMATION: The Mayor received a request from the San Joaquin Regional Rail Commission (SJRRRC) for a letter of support for its BUILD Grant application for the Stockton Diamond Grade Separation. There was a need to send the letter immediately in order to make the application deadline.

Funding of the request will allow SJRRC to leverage State funds to construct a transformative rail infrastructure project to improve safety on the freight network, increase the efficiency of freight and passenger rail movement, provide improved access from the Port of Stockton to national and worldwide markets, and facilitate continued economic growth and competitiveness.

The attached letter was sent to the Regional Rail Commission on June 25, 2019. A copy of the initial request is also attached. This report is provided for informational purposes only, pursuant to policy.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

____________________________
Jennifer M. Ferraiolo
City Clerk

APPROVED: ____________________________
Stephen Schwabauer, City Manager
The Honorable Elaine Chao  
Secretary of Transportation  
U.S. Department of Transportation  
1200 New Jersey Ave, SE  
Washington, DC 20590  

Re: Support for San Joaquin Regional Rail Commissions’ FY 2019 BUILD Grant Application for the Stockton Diamond Grade Separation  

On behalf of the City of Lodi, I am writing to express our support of the San Joaquin Regional Rail Commissions’ (SJRRRC) FY 2019 BUILD Grant application for the Stockton Diamond Grade Separation project. Funding of the request will allow SJRRC to leverage State funds to construct a transformative rail infrastructure project to improve safety on the freight network, increase the efficiency of freight and passenger rail movement, provide improved access from the Port of Stockton to national and worldwide markets, and facilitate continued economic growth and competitiveness.

The Port of Stockton and the freight railroad network are major economic assets to the San Joaquin Valley and Northern California Megaregion. By completing a grade separation at the intersection of the BNSF and Union Pacific Railroad (UPRR) in Stockton, the Port and its customers will benefit from greater freight rail efficiency through the elimination of freight interference between the two Class I railroads operating in this high-volume area. The grade separation will improve freight rail throughout the region’s rail network, resulting in fuel and operating cost savings, as well as reduced traffic delays and improved air quality.

Tens of thousands of residents of the San Joaquin Valley and Northern California rely on the Altamont Corridor Express (ACE) and Amtrak San Joaquin’s passenger services as their source of transportation. Construction of the grade separation will help reduce current delays for these vital passenger rail services and support future expansion.

The City of Lodi values its working relationship with SJRRC and strongly supports its BUILD application. Given the many public and private benefits associated with this project for our region, I urge you to support its application. Thank you for your consideration of investment for this extremely important project. Please feel free to contact me if you have any questions.

Sincerely,

Mark Chandler  
Mayor, City of Lodi
Hi Jennifer,

The San Joaquin Regional Rail Commission (SJRRRC) is in the process of filing an important application through the United States Department of Transportation’s BUILD competitive grant program for the Stockton Diamond Grade Separation Project and would greatly appreciate a letter of support from the City of Lodi. The goal of the Project is to improve rail efficiency throughout the San Joaquin Valley and Northern California Megaregion, allowing for better movement of passenger trains in the area and freight to/from the Port of Stockton. The Project will also enable the expansion of Altamont Corridor Express (ACE) service and improve the operations of existing ACE and Amtrak San Joaquins trains.

Please see the sample letter of support attached for some draft language and more information. If conceivable, could you please send us your letter by Tuesday (July 9, 2019)? The application is due July 15. If you are able to send a letter, can you please e-mail me a pdf to jordan@acerail.com so we can include it in our application?

We appreciate your support for this important project. Thank you!

Best Regards,

Jordan Peterson – Associate Planner
San Joaquin Regional Rail Commission
(209) 944-6275 direct - jordan@acerail.com
949 East Channel Street, Stockton CA 95202 - www.acerail.com
AGENDA TITLE: Appoint Richard Seim and Pam Williams to the Library Board of Trustees and Robert N. Anderson to the Lodi Senior Citizens Commission;

MEETING DATE: July 17, 2019

PREPARED BY: City Clerk

RECOMMENDED ACTION: Appoint Richard Seim and Pam Williams to the Library Board of Trustees and Robert N. Anderson to the Lodi Senior Citizens Commission.

BACKGROUND INFORMATION: The City Council directed the City Clerk to post for expiring terms on the Library Board of Trustees on April 17, 2019, and for a vacancy on the Lodi Senior Citizens Commission on May 1, 2019.

The Mayor reviewed the applications, conducted interviews, and recommends that the City Council concur with the appointments as detailed below.

APPOINTMENTS:

**Library Board of Trustees**
- Richard Seim: Term to expire June 30, 2022
- Pam Williams: Term to expire June 30, 2022

NOTE: 6 applicants (0 applicants seeking reappointment; 6 new applications; 0 applications on file); posting ordered 4/17/19; application deadline – 5/28/19.

**Senior Citizens Commission**
- Robert N. Anderson: Term to expire December 31, 2020

NOTE: 2 applicants (0 applicants seeking reappointment; 1 new application; 1 application on file); posting ordered 5/1/19; application deadline – 6/10/19.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

APPROVED: ____________________________
Stephen Schwabauer, City Manager
AGENDA TITLE: Accept Monthly Protocol Account Report Through June 30, 2019

MEETING DATE: July 17, 2019

PREPARED BY: City Clerk


BACKGROUND INFORMATION: The City Council, at its meeting of July 19, 2000, adopted Resolution No. 2000-126 approving a policy relating to the City’s “Protocol Account.” As a part of this policy, it was directed that a monthly itemized report of the “Protocol Account” be provided to the City Council.

Attached please find the cumulative report through June 30, 2019.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: See attached.

Jennifer M. Ferraiolo
City Clerk

JMF/PMF

Attachment

APPROVED: _____________________________

Stephen Schwabauer, City Manager
## Protocol Account Summary
### Fiscal Year 2018-19
Cumulative Report through June 30, 2019

<table>
<thead>
<tr>
<th>Date</th>
<th>Vendor</th>
<th>Description</th>
<th>Amount</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>7/13/18</td>
<td>Village Flowers</td>
<td>Presentation Bouquet for Miss California at 7/18/18 Meeting</td>
<td>$99.31</td>
<td>$6,400.69</td>
</tr>
<tr>
<td>8/22/18</td>
<td>Village Flowers</td>
<td>Plant Order – Schwabauer</td>
<td>$66.91</td>
<td>$6,333.78</td>
</tr>
<tr>
<td>8/22/18</td>
<td>Village Flowers</td>
<td>Plant Order – Keys</td>
<td>$66.91</td>
<td>$6,266.87</td>
</tr>
<tr>
<td>10/31/18</td>
<td>Amazon</td>
<td>Awards Plaques for Special Meeting</td>
<td>$95.70</td>
<td>$6,171.17</td>
</tr>
<tr>
<td>11/12/18</td>
<td>Staples</td>
<td>Certificate Award Holders</td>
<td>$44.40</td>
<td>$6,126.77</td>
</tr>
<tr>
<td>11/13/18</td>
<td>Walmart</td>
<td>Items for Reorganization</td>
<td>$20.59</td>
<td>$6,106.18</td>
</tr>
<tr>
<td>11/28/18</td>
<td>Creative Trophy &amp; Engraving</td>
<td>Plaques</td>
<td>$67.79</td>
<td>$6,038.39</td>
</tr>
<tr>
<td>11/29/18</td>
<td>Presenta Plaque Corp.</td>
<td>Plaques</td>
<td>$129.07</td>
<td>$5,909.32</td>
</tr>
<tr>
<td>12/10/18</td>
<td>Guiffra’s Party Rentals</td>
<td>Wine Glass Rental for Reorganization</td>
<td>$22.50</td>
<td>$5,886.82</td>
</tr>
<tr>
<td>12/10/18</td>
<td>S-Mart Foods</td>
<td>Ice for Reorganization</td>
<td>$6.95</td>
<td>$5,879.87</td>
</tr>
<tr>
<td>12/11/18</td>
<td>Hollywood Café</td>
<td>Appetizers for Reorganization</td>
<td>$565.68</td>
<td>$5,314.19</td>
</tr>
<tr>
<td>12/17/18</td>
<td>Jan’s Sweet Treasures</td>
<td>Desserts for Reorganization</td>
<td>$80.00</td>
<td>$5,234.19</td>
</tr>
<tr>
<td>12/17/18</td>
<td>Jan’s Sweet Treasures</td>
<td>Council Cookie Order</td>
<td>$680.00</td>
<td>$4,554.19</td>
</tr>
<tr>
<td>3/18/19</td>
<td>CSS Industries</td>
<td>Proclamation Ribbon</td>
<td>$9.03</td>
<td>$4,545.16</td>
</tr>
</tbody>
</table>

**Total Expenditures:** ($1,954.84) **Ending Bal.:** $4,545.16

Prepared by: PMF
AGENDA TITLE: Adopt Resolution Approving the Revised Lodi Electric Utility Greenhouse Gas Free Allowance Proceeds Spending Plan

MEETING DATE: July 17, 2019

PREPARED BY: Electric Utility Director


BACKGROUND INFORMATION: The California Cap and Trade Regulation allocates a specified number of allowances to qualified electrical distribution utilities for free. The City of Lodi Electric Utility (LEU) receives these “free allowances” each year and is permitted to consign these allowances at auction and receive the proceeds from the sale. However, the regulation restricts the manner in which the proceeds received from the sale of the freely-allocated allowances can be used and requires LEU to report annually to the California Air Resources Board (CARB) on the manner in which this allowance value is used.

On June 18, 2014 by Resolution 2014-110, the City Council approved the LEU Greenhouse Gas (GHG) Free Allowance Proceeds Spending Plan to identify the eligible use of proceeds consistent with CARB regulations. Recent updates and revisions to those regulations have expanded the eligible use of GHG free allowance proceeds and as such, the Plan has been revised to include those additional eligible uses. In summary, proceeds can continue to be used on renewable energy, energy efficiency, and low-income assistance. Additional eligible uses include fuel switching (i.e., transportation electrification), projects that reduce emissions associated with electrical distribution system equipment, wildfire risk reduction activities, and administrative/outreach program expenses.

The Revised LEU GHG Free Allowance Proceeds Spending Plan, attached as Exhibit A, identifies activities and programs LEU will pursue to spend the proceeds received at auction through 2030 in accordance with regulations set forth by CARB. Specific projects will continue to be identified and funding for those projects will be approved in accordance with existing City policies, procedures and the City’s Risk Oversight Committee (ROC). The City’s ROC was presented with the Revised Plan at its June 13, 2019 meeting and recommended City Council approval.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Revenues deposited to Environmental Compliance Fund 508 with funds appropriated as part of the annual budget process.

Andrew Keys
Deputy City Manager/Internal Services Director

Melissa Price
Interim Electric Utility Director

APPROVED: ________________________________
Stephen Schwabauer, City Manager
BACKGROUND

The Global Warming Solutions Act of 2006 (AB 32) requires California to return to 1990 levels of greenhouse gas emissions by 2020. SB 32 (Statutes of 2016) requires further reductions in greenhouse gas emissions to 40 percent below 1990 levels by 2030. All programs developed in response to the original AB 32 directives, and periodically refined though the California Air Resources Board’s (CARB) Scoping Plan process, contribute to the reductions needed to achieve this goal. The Cap and Trade Program is a key element in California’s climate plan and is designed to provide covered entities the flexibility to seek out and implement the lowest-cost options to reduce emissions.

The City of Lodi Electric Utility (LEU), as an electrical distribution utility, receives an annual direct allocation of California Greenhouse Gas (GHG) allowances, or “free allowances.” These free allowances are currently scheduled for receipt by the LEU through 2030 per AB 398 and are consigned at auction. The City receives the proceeds which are currently deposited in its Environmental Compliance Fund.

PURPOSE

The purpose of the Greenhouse Gas Free Allowance Proceeds Spending Plan is to identify activities and programs the LEU will pursue to spend the proceeds received at auction in accordance with regulations set forth by the California Air Resources Board. In summary, auction proceeds must be used for the primary benefit of retail ratepayers, consistent with the goals of AB 32.

PLAN

The LEU Greenhouse Gas Free Allowance Proceeds Spending Plan includes the following options and will be reviewed each year as part of the annual budget process as to which specific programs and activities will be implemented:

1. Investments in renewable energy resources including, but not limited to, generation projects, energy storage projects and/or the purchase of generation from eligible renewable energy resources.
2. Investments in energy efficiency programs.
3. Projects or programs that address the potential for impacts of the Cap and Trade regulations including, but not limited to, efforts to mitigate impacts on low-income customers.
4. Fuel switching including, but not limited to, electric vehicle (EV) rebates and/or incentives, EV fueling supply equipment rebates, and/or infrastructure investment for transportation electrification.
5. Projects or activities that reduce emissions of sulfur hexafluoride or hydrofluorocarbons associated with electrical distribution system equipment.
6. Wildfire risk reduction activities.¹
7. Administrative, outreach and education program expenses as permitted.

Specific projects will be identified and funding for those projects will be approved in accordance with existing City policies and procedures.

The LEU will report to the CARB by June 30 of each year, how it has spent, or plans to spend, the proceeds received through auction of its GHG free allowances and will seek approval from its Risk Oversight Committee prior to submitting said report.

¹ Allowable only after CARB adopts a standardized system for quantifying GHG emissions reductions and provided the risk reduction is in conformance with applicable Public Utilities Code.
RESOLUTION NO. 2019-____
A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE REVISED LODI ELECTRIC UTILITY GREENHOUSE GAS
FREE ALLOWANCE PROCEEDS SPENDING PLAN
========================================================================
WHEREAS, the California Cap and Trade Regulation allocates a specified number of
allowances to qualified electrical distribution utilities for free; and

WHEREAS, the City of Lodi Electric Utility (LEU) receives these “free allowances” each
year and is permitted to consign these allowances at auction and receive the proceeds from the
sale; and

WHEREAS, California Cap and Trade Regulation restricts the manner in which the
proceeds received from the sale of the freely-allocated allowances can be used and requires
LEU to report annually to the California Air Resources Board (CARB) on the manner in which
this allowance value is used; and

WHEREAS, on June 18, 2014, by Resolution No. 2014-110, the City Council approved
the LEU Greenhouse Gas (GHG) Free Allowance Proceeds Spending Plan (Plan) to identify the
eligible use of proceeds consistent with CARB regulations; and

WHEREAS, recent updates and revisions to California Cap and Trade Regulations have
expanded the eligible use of GHG free allowance proceeds and as such, the Plan has been
revised to include those additional eligible uses; and

WHEREAS, the Revised LEU GHG Free Allowance Proceeds Spending Plan, attached
as Exhibit A, identifies activities and programs LEU will pursue to spend the proceeds received
at auction through 2030 in accordance with regulations set forth by CARB; and

WHEREAS, specific projects will continue to be identified and funding for those projects
will be approved in accordance with existing City policies, procedures, and the City’s Risk
Oversight Committee (ROC); and

WHEREAS, the City’s ROC was presented with the Revised Plan at its June 13, 2019
meeting and recommended City Council approval.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve
the Revised Lodi Electric Utility Greenhouse Gas Free Allowance Proceeds Spending Plan,
attached hereto as Exhibit A.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of
the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIIOLO
City Clerk

2019-____
BACKGROUND

The Global Warming Solutions Act of 2006 (AB 32) requires California to return to 1990 levels of greenhouse gas emissions by 2020. SB 32 (Statutes of 2016) requires further reductions in greenhouse gas emissions to 40 percent below 1990 levels by 2030. All programs developed in response to the original AB 32 directives, and periodically refined though the California Air Resources Board’s (CARB) Scoping Plan process, contribute to the reductions needed to achieve this goal. The Cap and Trade Program is a key element in California’s climate plan and is designed to provide covered entities the flexibility to seek out and implement the lowest-cost options to reduce emissions.

The City of Lodi Electric Utility (LEU), as an electrical distribution utility, receives an annual direct allocation of California Greenhouse Gas (GHG) allowances, or “free allowances.” These free allowances are currently scheduled for receipt by the LEU through 2030 per AB 398 and are consigned at auction. The City receives the proceeds which are currently deposited in its Environmental Compliance Fund.

PURPOSE

The purpose of the Greenhouse Gas Free Allowance Proceeds Spending Plan is to identify activities and programs the LEU will pursue to spend the proceeds received at auction in accordance with regulations set forth by the California Air Resources Board. In summary, auction proceeds must be used for the primary benefit of retail ratepayers, consistent with the goals of AB 32.

PLAN

The LEU Greenhouse Gas Free Allowance Proceeds Spending Plan includes the following options and will be reviewed each year as part of the annual budget process as to which specific programs and activities will be implemented:

1. Investments in renewable energy resources including, but not limited to, generation projects, energy storage projects and/or the purchase of generation from eligible renewable energy resources.
2. Investments in energy efficiency programs.
3. Projects or programs that address the potential for impacts of the Cap and Trade regulations including, but not limited to, efforts to mitigate impacts on low-income customers.
4. Fuel switching including, but not limited to, electric vehicle (EV) rebates and/or incentives, EV fueling supply equipment rebates, and/or infrastructure investment for transportation electrification.

5. Projects or activities that reduce emissions of sulfur hexafluoride or hydrofluorocarbons associated with electrical distribution system equipment.

6. Wildfire risk reduction activities.\(^1\)

7. Administrative, outreach and education program expenses as permitted.

Specific projects will be identified and funding for those projects will be approved in accordance with existing City policies and procedures.

The LEU will report to the CARB by June 30 of each year, how it has spent, or plans to spend, the proceeds received through auction of its GHG free allowances and will seek approval from its Risk Oversight Committee prior to submitting said report.

\(^1\) Allowable only after CARB adopts a standardized system for quantifying GHG emissions reductions and provided the risk reduction is in conformance with applicable Public Utilities Code.
AGENDA TITLE: Adopt Resolutions Approving the Applications for Statewide Park Development and Community Revitalization Program Grant Funds for the Hale Park Community Heritage Project and the Blakely Park Aquatics Expansion Project

MEETING DATE: July 17, 2019

PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Adopt resolutions approving the applications for Statewide Park Development and Community Revitalization Program grant funds for the Hale Park Community Heritage Project and the Blakely Park Aquatics Expansion Project.

BACKGROUND INFORMATION: In June 2018, California voters approved Proposition 68, a $4 billion park and water bond. As a result, the State this year will grant nearly $255 million for park acquisition, expansion and renovation through the Statewide Park Development and Community Revitalization Program, a competitive grant program.

In anticipation of applying for grant funding under this program, Parks, Recreation and Cultural Services has conducted more than 15 public outreach efforts in recent months to obtain community feedback regarding potential improvements to Blakely and Hale parks, and Hutchins Street Square. After assessing community interest, PRCS plans on submitting applications for Blakely and Hale parks.

The application for Blakely Park will seek funding to renovate and expand the aquatics facility with a new teaching pool, splash pad, new pool house/locker/shower area, as well as construct a picnic shelter. The estimated cost of those improvements are approximately $4.7 million.

The proposed Hale Park project focuses on the south half of the park, consisting of new playgrounds, new landscaping, undergrounded utility lines, a new plaza and gazebo as a park focal point, wider sidewalks and more interior walkways leading to the gazebo. In addition, the community indicated interest in including an art element to recognize the history and legacy of immigrants, from Germans in the 19th century to Japanese, Pakistanis and Mexicans. Estimated cost is approximately $3.7 million.

Attached are copies of outreach notices and draft final site plans.

FUNDING AVAILABLE: Not applicable.

FISCAL IMPACT: PRCS does not have another source of funding for the proposed projects. Successful applications will increase maintenance costs and revenue.

_______________________________
Jeff Hood
Parks, Recreation and Cultural Services Director

APPROVED: _________________________________
Stephen Schwabauer, City Manager
PROPOSED HALE PARK IMPROVEMENTS
PROP 68
PROPOSED BLAKELY PARK IMPROVEMENTS
PROP 68
Hale Park is Lodi’s oldest park and one of its busiest, serving families and people of all generations. But it’s aging and may not meet the neighborhood’s needs. What is your vision of Hale Park and what role should it take in the community?

A State of California grant program could make your vision a reality. Proposition 68, a $4 billion measure passed by California voters in June 2018, includes $255 million for local park acquisition, expansion and upgrades through a competitive grant program.

Parks, Recreation and Cultural Services begins a series of public outreach events at Hale Park on May 22. Tell us what you want Hale Park to be. Once we understand the community’s vision, we’ll develop some final concepts with your help and submit an application for funding.

Your voice is important in this process, and will help us deliver an application that has broad community backing. With potential funding of up to $8.5 million per project, Prop 68 presents an opportunity we can’t pass up!

We look forward to seeing you – and hearing your suggestions – at an upcoming workshop!
Hale Park es el parque más antiguo de Lodi y uno de los más concurridos, que atiende a familias y personas de todas las generaciones. Pero está envejeciendo y puede que no satisfacer las necesidades del vecindario. ¿Cuál es su visión de Hale Park y qué papel debe asumir en la comunidad?

Un programa de becas del Estado de California podría convertir su visión en realidad. La Proposición 68, una medida de $ 4 mil millones aprobada por los votantes de California en junio de 2018, incluye $ 255 millones para la adquisición, expansión y mejoras de parques locales a través de un programa competitivo de subvenciones.

Los Servicios de Parques, Recreación y Cultura comienzan una serie de eventos de divulgación pública en Hale Park el 22 de mayo. Díganos qué quiere que sea Hale Park. Una vez que entendamos la visión de la comunidad, desarrollaremos algunos conceptos finales con su ayuda y enviaremos una solicitud de financiamiento.

Su voz es importante en este proceso y nos ayudará a entregar una aplicación que cuenta con un amplio respaldo de la comunidad. Con un financiamiento potencial de hasta $ 8.5 millones por proyecto, ¡la Proposición 68 presenta una oportunidad que no podemos dejar pasar!

¡Esperamos verlo y escuchar sus sugerencias en un próximo taller!
Thanks your input!}

What new recreational features would you like to see at Hutchins Street Square or Blakely Park? Is it an indoor recreation center? A splash pad or better aquatics facilities?

Proposition 68 could make it possible. This $4 billion measure, passed by California voters last June, includes $255 million for local park acquisition, expansion and upgrades through a competitive grant program.

Parks, Recreation and Cultural Services kicks off a series of workshops and project proposal meetings in April at Hutchins Street Square and Blakely Park. Once we have a good understanding of community priorities, we’ll seek the public’s feedback on the final concepts to develop an application for funding.

Your voice is important in this process, and will help us deliver an application that has broad community backing. With potential funding of up to $8.5 million per project, Prop 68 presents an opportunity we can’t pass up!

We look forward to seeing you – and hearing your suggestions – at an upcoming workshop!
RESOLUTION NO. 2019-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI
APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND
COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi hereby approves the filing of an application for the Hale Park Community Heritage Project and:

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and

2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project; and

3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and

4. Delegates the authority to the City Manager to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and

5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines; and


Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-____
RESOLUTION NO. 2019-____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LODI
APPROVING THE APPLICATION FOR STATEWIDE PARK DEVELOPMENT AND
COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS
========================================================================

WHEREAS, the State Department of Parks and Recreation has been delegated the
responsibility by the Legislature of the State of California for the administration of the Statewide
Park Development and Community Revitalization Grant Program, setting up necessary
procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and
Recreation require the Applicant to certify by resolution the approval of the application before
submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to
complete the Grant Scope project.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi hereby
approves the filing of an application for the Blakely Park Aquatics Expansion Project and:

1. Certifies that said Applicant has or will have available, prior to commencement of
   any work on the project included in this application, the sufficient funds to complete
   the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient
   funds to operate and maintain the project; and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General
   Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the City Manager to conduct all negotiations, sign and
   submit all documents, including, but not limited to applications, agreements,
   amendments, and payment requests, which may be necessary for the completion
   of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances,
   rules, regulations and guidelines; and

Dated: July 17, 2019
========================================================================

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City
Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-____
AGENDA TITLE: Public Hearing to Consider Adopting Resolution Setting Pre-Approved Engineering News Record Adjustment Index for Wastewater Rates for Residential, Commercial, and Industrial Customers

MEETING DATE: July 17, 2019

PREPARED BY: Public Works Director

RECOMMENDED ACTION: Public hearing to consider adopting resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers.

BACKGROUND INFORMATION: The City Council has made numerous water rate decisions over the past several years. On March 20, 2019, Council voted to approve a five-year program of rate adjustments for water, wastewater, and solid waste services, in accordance with the Proposition 218 rate setting process. The proposed rate adjustments are needed to generate sufficient revenue to meet ongoing operation and maintenance costs and debt service obligations, as well as, necessary capital maintenance improvements.

For the water and wastewater utilities, the annual rate adjustment, if approved, is the lesser of the Engineering News Record (ENR) index change or three percent. A summary of the past years’ wastewater rate adjustments relative to the ENR index change is provided in the table below. The purpose of this table is to demonstrate that, due to sound financial management, past actual rate increases have frequently been below the approved maximum or deferred to coordinate with the programming of capital improvement projects. In fact, staff has not recommended a wastewater rate increase since July 1, 2016.

<table>
<thead>
<tr>
<th>Cap</th>
<th>ENR Index</th>
<th>Approved/Recommended</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2014</td>
<td>3.0%</td>
<td>2.6%</td>
</tr>
<tr>
<td>July 2015</td>
<td>3.0%</td>
<td>2.8%</td>
</tr>
<tr>
<td>July 2016</td>
<td>3.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td>July 2017</td>
<td>3.0%</td>
<td>4.2%</td>
</tr>
<tr>
<td>July 2018</td>
<td>3.0%</td>
<td>2.7%</td>
</tr>
<tr>
<td>July 2019</td>
<td>3.0%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

In preparation of the new five-year rate program, staff engaged the services of The Reed Group, Inc. to analyze and update the financial models and current rate structure within both utilities. At present, the wastewater operating fund balance exceeds target operating reserves. This surplus will be needed to fund wastewater expenditures amounting to over $30 million over the next five years without borrowing.

A copy of the current wastewater Financial Plan is attached as Exhibit A. The recommended rate adjustments in the Financial Plan are 2.9 percent, beginning July 1, 2019. The rates for this next year
(Exhibit B) reflect a recommended increase of 2.9 percent which is lower than the three percent capped maximum.

**FISCAL IMPACT:**

Increased revenues are required to properly fund capital maintenance, to keep up with cost of service increases, and State mandated costs.

**FUNDING AVAILABLE:**

Not applicable.

_____________________________
Charles E. Swimley, Jr.
Public Works Director

CES/RAY/tdb
Attachments
Exhibit A
City of Lodi
Wastewater System Financial Plan
FY 17‐18
FY 18‐19
Rate Adjustments ‐‐>
WASTEWATER OPERATING FUND (FUND 530)
Beginning Balance
$ 12,967,860 $ 15,365,382
Operating Revenues
Flat Rate Revenue
$ 4,071,900 $ 3,297,900
Service Charge Revenue
$ 5,576,600 $ 6,113,300
Usage Charge Revenue
$ 5,215,043 $ 5,796,900
Miscellaneous Revenue
$
204,007 $ 180,000
Grant Revenue
$
400,282 $ 3,150,000
Interest Earnings
$
205,140 $ 220,000
Trans. From/(To) WW Rate Stab.
$
‐
$
‐
Trans. From WW IMF Fund for DS
$
‐
$
‐
Total Operating Revenues
Operating Expenses and Transfers
Wastewater Administration
Operating Transfer Out
Damage to Property
White Slough WPCF
Electricity
Sanitary System Maintenance
Storm Drainage Maintenance
Industrial System Maintenance
Water/Wastewater Personnel
Watershed Education
Debt Service
Transfer to Capital Fund (Fund 531)
Total Oper. Expenses and Transfers
Ending Balance
Operating Reserve (50%)
Available Funds
Debt Service Coverage (min. 1.25)

FY 20‐21
3.0%
July

FY 21‐22
3.0%
July

$11,780,300

$11,403,800

$13,990,100

$ 3,393,600
$ 6,343,600
$ 6,032,500
$ 211,900
$
‐
$ 353,400
$
‐
$ 400,000

$ 3,015,600
$ 6,889,000
$ 6,637,100
$ 211,900
$
‐
$ 342,100
$
‐
$ 400,000

$ 2,619,600
$ 7,458,500
$ 7,267,400
$ 211,900
$
‐
$ 419,700
$
‐
$ 400,000

FY 22‐23
3.0%
July
$13,322,200
$ 2,698,200
$ 7,740,700
$ 7,554,900
$ 211,900
$
‐
$ 399,700
$
‐
$ 400,000

FY 23‐24
3.0%
July

FY 24‐25
3.0%
July

FY 25‐26
3.0%
July

FY 26‐27
3.0%
July

FY 27‐28
3.0%
July

FY 28‐29
3.0%
July

FY 29‐30
3.0%
July

$9,695,600

$4,200,200

$6,743,500

$7,990,200

$3,278,100

$5,865,300

$7,507,900

$ 2,405,400
$ 8,626,300
$ 8,507,000
$ 211,900
$
‐
$ 126,000
$
‐
$ 400,000

$ 1,239,000
$ 9,245,700
$ 8,958,200
$ 211,900
$
‐
$ 202,300
$
‐
$ 400,000

$ 2,335,400
$ 8,313,500
$ 8,186,000
$ 211,900
$
‐
$ 290,900
$
‐
$ 400,000

$
‐
$
‐
$
‐
$
‐
$ 9,896,600 $ 10,264,900 $ 10,647,100 $ 11,044,000
$ 9,430,200 $ 9,798,400 $ 10,180,700 $ 10,270,000
$ 211,900 $ 211,900 $ 211,900 $ 211,900
$
‐
$
‐
$
‐
$
‐
$ 239,700 $
98,300 $ 176,000 $ 225,200
$
‐
$
‐
$
‐
$
‐
$ 400,000 $ 400,000 $ 400,000 $ 400,000

$ 15,672,971 $ 18,758,100 $ 16,735,000 $ 17,495,700 $ 18,377,100 $ 19,005,400 $ 19,737,700 $ 20,276,600 $ 20,257,100 $ 20,178,400 $ 20,773,500 $ 21,615,700 $ 22,151,100
$
$
$
$
$
$
$
$
$
$
$
$

1,324,120
1,108,270
2,861
3,828,052
629,470
889,128
565,918
5,590
139,712
42,290
2,896,776
1,345,754

$ 1,397,140
$ 1,083,710
$
5,800
$ 4,434,580
$ 603,060
$ 791,730
$ 725,890
$
12,200
$
‐
$
74,310
$ 3,006,576
$10,208,149

$
$
$
$
$
$
$
$
$
$
$
$

1,439,000
1,116,200
5,900
4,567,800
621,200
815,700
748,000
12,500
‐
76,500
3,006,700
4,702,000

$
$
$
$
$
$
$
$
$
$
$
$

1,481,700
1,149,700
6,000
4,704,900
639,800
840,100
770,500
12,800
‐
78,700
3,003,200
2,222,000

$
$
$
$
$
$
$
$
$
$
$
$

1,526,100
1,184,200
6,100
4,845,800
659,000
865,200
793,600
13,100
‐
81,000
3,005,900
6,065,000

$
$
$
$
$
$
$
$
$
$
$
$

1,571,700
1,219,700
6,200
4,990,800
678,800
891,100
817,400
13,400
‐
83,400
3,006,500
9,353,000

$ 1,618,500
$ 1,256,300
$
6,300
$ 5,140,200
$ 699,200
$ 917,700
$ 841,900
$
13,700
$
‐
$
85,800
$ 3,002,500
$ 11,651,000

$
$
$
$
$
$
$
$
$
$
$
$

1,666,600
1,294,000
6,400
5,294,400
720,200
945,200
867,200
14,000
‐
88,300
3,374,000
3,463,000

$
$
$
$
$
$
$
$
$
$
$
$

1,716,400
1,332,800
6,500
5,453,100
741,800
973,500
893,100
14,300
‐
90,800
2,868,100
4,920,000

$ 1,767,600
$ 1,372,800
$
6,600
$ 5,616,400
$ 764,100
$ 1,002,600
$ 919,900
$
14,600
$
‐
$
93,300
$ 2,869,600
$ 10,463,000

$
$
$
$
$
$
$
$
$
$
$
$

1,820,200
1,414,000
6,700
5,784,900
787,000
1,032,500
947,400
14,900
‐
95,900
1,650,800
4,632,000

$
$
$
$
$
$
$
$
$
$
$
$

1,874,500
1,456,400
6,800
5,958,400
810,600
1,063,400
975,700
15,200
‐
98,500
1,652,600
6,061,000

$
$
$
$
$
$
$
$
$
$
$
$

1,930,300
1,500,100
7,000
6,137,000
834,900
1,095,000
1,004,600
15,500
‐
101,300
1,656,600
6,298,000

$ 12,777,941 $ 22,343,145 $ 17,111,500 $ 14,909,400 $ 19,045,000 $ 22,632,000 $ 25,233,100 $ 17,733,300 $ 19,010,400 $ 24,890,500 $ 18,186,300 $ 19,973,100 $ 20,580,300
$ 15,862,890 $ 11,780,337 $ 11,403,800 $ 13,990,100 $ 13,322,200 $ 9,695,600 $ 4,200,200 $ 6,743,500 $ 7,990,200 $ 3,278,100 $ 5,865,300 $ 7,507,900 $ 9,078,700
$ 5,716,000 $ 6,067,000 $ 6,205,000 $ 6,344,000 $ 6,490,000 $ 6,640,000 $ 6,791,000 $ 7,135,000 $ 7,045,000 $ 7,214,000 $ 6,777,000 $ 6,956,000 $ 7,141,000
$ 10,146,890 $ 5,713,337 $ 5,198,800 $ 7,646,100 $ 6,832,200 $ 3,055,600 $ (2,590,800) $ (391,500) $
945,200 $ (3,935,900) $ (911,700) $
551,900 $ 1,937,700
2.64
3.51
2.45
2.62
2.82
2.94
3.09
2.80
3.18
3.04
5.45
5.75
5.86

WASTEWATER CAPITAL FUND (FUND 531)
Beginning Balance
$
Revenues and Transfers In
Transfer from Operating Fund
$
Transfer from WW IMF Fund
$
Total Revenues and Transfers In

FY 19‐20
2.9%
July

1,067,097 $

246,851 $

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

1,345,754 $ 10,208,149 $ 4,702,000 $ 2,222,000 $ 6,065,000 $ 9,353,000 $ 11,651,000 $ 3,463,000 $ 4,920,000 $ 10,463,000 $ 4,632,000 $ 6,061,000 $ 6,298,000
‐
$ 1,000,000 $
‐
$
‐
$
‐
$
‐
$
‐
$
‐
$
‐
$
‐
$
‐
$
‐
$
‐

$

1,345,754 $ 11,208,149 $ 4,702,000 $ 2,222,000 $ 6,065,000 $ 9,353,000 $ 11,651,000 $ 3,463,000 $ 4,920,000 $ 10,463,000 $ 4,632,000 $ 6,061,000 $ 6,298,000

Capital Program Expenditures
Wastewater Capital Outlay
Wastewater Plant

$
$

820,000 $ 3,955,000 $ 3,193,000 $ 1,034,000 $ 3,661,000 $
394,000 $ 3,594,000 $ 1,761,000 $ 3,813,000 $ 2,660,000 $ 2,740,000 $ 4,166,000 $ 4,291,000
1,346,000 $ 7,500,000 $ 1,509,000 $ 1,188,000 $ 2,404,000 $ 8,959,000 $ 8,057,000 $ 1,702,000 $ 1,107,000 $ 7,803,000 $ 1,892,000 $ 1,895,000 $ 2,007,000

Total Capital Prog. Expend.

$

2,166,000 $ 11,455,000 $ 4,702,000 $ 2,222,000 $ 6,065,000 $ 9,353,000 $ 11,651,000 $ 3,463,000 $ 4,920,000 $ 10,463,000 $ 4,632,000 $ 6,061,000 $ 6,298,000

Ending Balance

The Reed Group, Inc.

$

50%

246,851 $

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

$

‐

DRAFT — 5/2/2019


## City of Lodi
### Wastewater System Financial Plan

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WASTEWATER IMF FUND (FUND 533)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beginning Balance</td>
<td>$759,967</td>
<td>$809,400</td>
<td>$712,500</td>
<td>$539,900</td>
<td>$467,600</td>
<td>$405,700</td>
<td>$355,000</td>
<td>$316,400</td>
<td>$290,700</td>
<td>$279,000</td>
<td>$282,200</td>
<td>$301,400</td>
</tr>
<tr>
<td><strong>Revenues and Transfers In</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Earnings</td>
<td></td>
<td>$21,400</td>
<td>$18,700</td>
<td>$16,200</td>
<td>$14,000</td>
<td>$12,200</td>
<td>$10,700</td>
<td>$9,500</td>
<td>$8,700</td>
<td>$8,400</td>
<td>$8,500</td>
<td>$9,000</td>
</tr>
<tr>
<td>Wastewater IMF Revenue</td>
<td>$503,776</td>
<td>$903,130</td>
<td>$287,800</td>
<td>$299,500</td>
<td>$311,500</td>
<td>$324,100</td>
<td>$337,100</td>
<td>$350,700</td>
<td>$364,800</td>
<td>$379,600</td>
<td>$394,800</td>
<td>$410,700</td>
</tr>
<tr>
<td>Total Revenues and Transfers In</td>
<td>$503,776</td>
<td>$903,130</td>
<td>$309,200</td>
<td>$318,200</td>
<td>$327,700</td>
<td>$334,100</td>
<td>$341,400</td>
<td>$347,300</td>
<td>$354,300</td>
<td>$360,200</td>
<td>$364,100</td>
<td>$372,200</td>
</tr>
<tr>
<td><strong>Wastewater IMF Expnd. &amp; Transfers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wastewater IMF Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to Oper. for Debt Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfer to Cap. for Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Wastewater IMF Expnd.</td>
<td></td>
<td>$1,000,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ending Balance</td>
<td>$1,263,743</td>
<td>$712,530</td>
<td>$621,700</td>
<td>$539,900</td>
<td>$467,600</td>
<td>$405,700</td>
<td>$355,000</td>
<td>$316,400</td>
<td>$290,700</td>
<td>$279,000</td>
<td>$282,200</td>
<td>$301,400</td>
</tr>
</tbody>
</table>

| **STORMWATER IMF FUND (FUND 535)** | | | | | | | | | | | | |
| Beginning Balance | $925,574 | $930,384 | $945,700 | $1,069,000 | $1,199,800 | $1,338,600 | $1,485,700 | $1,620,700 | $1,755,700 | $1,890,700 | $2,025,700 | $2,160,700 |
| **Revenues and Transfers In** | | | | | | | | | | | | |
| Interest Earnings | | | | | | | | | | | | |
| Transfers From/(To) Oper. Fund | | | | | | | | | | | | |
| Total Revs. and Transfers In/(Out) | | | | | | | | | | | | |
| Ending Balance | $933,333 | $945,714 | $1,069,000 | $1,199,800 | $1,338,600 | $1,485,700 | $1,620,700 | $1,755,700 | $1,890,700 | $2,025,700 | $2,160,700 | $2,305,700 |

| **WASTEWATER RATE STABILIZATION FUND (FUND 534)** | | | | | | | | | | | | |
| Beginning Balance | $500,000 | $500,000 | $500,000 | $515,000 | $510,500 | $546,400 | $562,800 | $579,700 | $597,100 | $615,000 | $633,500 | $652,500 |
| **Revenues and Transfers In** | | | | | | | | | | | | |
| Interest Earnings | | | | | | | | | | | | |
| Transfers From/(To) Oper. Fund | | | | | | | | | | | | |
| Total Revs. and Transfers In/(Out) | | | | | | | | | | | | |
| Ending Balance | $500,000 | $500,000 | $515,000 | $530,500 | $546,400 | $562,800 | $579,700 | $597,100 | $615,000 | $633,500 | $652,500 | $672,100 |

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Oper. &amp; Maint. Costs</strong></td>
<td>$8,535,411</td>
<td>$8,128,420</td>
<td>$9,402,800</td>
<td>$9,684,200</td>
<td>$9,974,100</td>
<td>$10,272,500</td>
<td>$10,579,600</td>
<td>$10,896,800</td>
<td>$11,222,800</td>
<td>$11,557,900</td>
<td>$11,903,500</td>
<td>$12,259,500</td>
</tr>
<tr>
<td><strong>Debt Service Costs</strong></td>
<td>$2,896,776</td>
<td>$3,006,576</td>
<td>$3,003,700</td>
<td>$3,005,900</td>
<td>$3,006,500</td>
<td>$3,002,500</td>
<td>$3,374,000</td>
<td>$2,868,100</td>
<td>$2,869,600</td>
<td>$1,650,800</td>
<td>$1,652,600</td>
<td>$1,656,600</td>
</tr>
<tr>
<td><strong>Capital Prog. Transfer</strong></td>
<td>$1,345,754</td>
<td>$10,208,149</td>
<td>$11,402,800</td>
<td>$11,735,000</td>
<td>$12,065,000</td>
<td>$12,395,000</td>
<td>$12,725,000</td>
<td>$13,055,000</td>
<td>$13,385,000</td>
<td>$13,715,000</td>
<td>$14,045,000</td>
<td>$14,375,000</td>
</tr>
<tr>
<td><strong>Proposed Revenues</strong></td>
<td>$15,672,971</td>
<td>$18,758,100</td>
<td>$16,735,000</td>
<td>$17,495,700</td>
<td>$18,377,100</td>
<td>$19,005,400</td>
<td>$19,737,700</td>
<td>$20,276,600</td>
<td>$20,257,100</td>
<td>$20,178,400</td>
<td>$20,773,500</td>
<td>$21,615,700</td>
</tr>
<tr>
<td><strong>Ending Balance</strong></td>
<td>$5,000,000</td>
<td>$500,000</td>
<td>$515,000</td>
<td>$530,500</td>
<td>$546,400</td>
<td>$562,800</td>
<td>$579,700</td>
<td>$597,100</td>
<td>$615,000</td>
<td>$633,500</td>
<td>$652,500</td>
<td>$672,100</td>
</tr>
</tbody>
</table>

The Reed Group, Inc. DRAFT — 5/2/2019
### Exhibit B
City of Lodi -- Wastewater Utility
Current and Proposed Wastewater Rates

<table>
<thead>
<tr>
<th>Percent Increase</th>
<th>2.9</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Flat Rates ($/month)</strong></td>
<td></td>
</tr>
<tr>
<td>1 Bedroom</td>
<td>$27.90</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$37.20</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$46.49</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>$55.79</td>
</tr>
<tr>
<td>5 Bedroom</td>
<td>$65.09</td>
</tr>
<tr>
<td>6 Bedroom</td>
<td>$74.39</td>
</tr>
<tr>
<td>7 Bedroom</td>
<td>$83.69</td>
</tr>
<tr>
<td><strong>Mobile Homes</strong></td>
<td></td>
</tr>
<tr>
<td>Any Size</td>
<td>$27.90</td>
</tr>
<tr>
<td><strong>Schools</strong></td>
<td></td>
</tr>
<tr>
<td>18 Students per SSU</td>
<td>$36.18</td>
</tr>
<tr>
<td><strong>Usage-Based Rates (1)</strong></td>
<td></td>
</tr>
<tr>
<td>Monthly Usage Charge ($/CCF) (1)</td>
<td>$2.89</td>
</tr>
<tr>
<td>3/4&quot; Meter Charge per month</td>
<td>$25.40</td>
</tr>
<tr>
<td>1&quot; Meter Charge per month</td>
<td>$40.92</td>
</tr>
<tr>
<td>1 1/2&quot; Meter Charge per month</td>
<td>$79.06</td>
</tr>
<tr>
<td>2&quot; Meter Charge per month</td>
<td>$124.33</td>
</tr>
<tr>
<td>3&quot; Meter Charge per month</td>
<td>$232.29</td>
</tr>
<tr>
<td>4&quot; Meter Charge per month</td>
<td>$385.52</td>
</tr>
<tr>
<td>6&quot; Meter Charge per month</td>
<td>$768.29</td>
</tr>
<tr>
<td>8&quot; Meter Charge per month</td>
<td>$1,227.76</td>
</tr>
</tbody>
</table>

**Notes:**
(1) Winter water usage determined as average monthly usage from December through February.
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL
SETTING PRE-APPROVED ENGINEERING NEWS
RECORD ADJUSTMENT INDEX FOR USAGE-BASED
AND FLAT WASTEWATER RATES FOR RESIDENTIAL,
COMMERCIAL, AND INDUSTRIAL CUSTOMERS

===================================================================

WHEREAS, Resolution No. 2019-42 approved annual wastewater rate increases in an amount not to exceed the percentage change in the Engineering News Record (ENR) Twenty Cities Annual Average Index, or three percent, beginning 2019 through January 2023. A Proposition 218 procedure was conducted that validated this action; and

WHEREAS, staff has regularly updated the Wastewater Utility Financial Plan with the assistance of the The Reed Consulting Group, Inc., of Sacramento; and

WHEREAS, the current water rate adjustment reflects a 2.9 percent increase.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby set pre-approved Engineering News Record adjustment index for usage-based and flat wastewater rates for residential, commercial and industrial customers, as outlined on Exhibit A, with the effective date of the increase to be July 1, 2019.

Dated: July 17, 2019

===================================================================

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILOLO
City Clerk

2019-____
# City of Lodi -- Wastewater Utility
## Current and Proposed Wastewater Rates

<table>
<thead>
<tr>
<th>Flat Rates ($/month)</th>
<th>Current</th>
<th>July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>$27.90</td>
<td>$28.71</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$37.20</td>
<td>$38.28</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$46.49</td>
<td>$47.84</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>$55.79</td>
<td>$57.41</td>
</tr>
<tr>
<td>5 Bedroom</td>
<td>$65.09</td>
<td>$66.98</td>
</tr>
<tr>
<td>6 Bedroom</td>
<td>$74.39</td>
<td>$76.25</td>
</tr>
<tr>
<td>7 Bedroom</td>
<td>$83.69</td>
<td>$86.12</td>
</tr>
</tbody>
</table>

### Mobile Homes
- Any Size
  - $27.90  $28.71

### Schools
- 18 Students per SSU
  - $36.18  $37.23

### Usage-Based Rates (1)
- Monthly Usage Charge ($/CCF) (1)
  - $2.89  $2.97
- 3/4" Meter Charge per month
  - $25.40  $26.14
- 1" Meter Charge per month
  - $40.92  $42.11
- 1 1/2" Meter Charge per month
  - $79.06  $81.35
- 2" Meter Charge per month
  - $124.33  $127.94
- 3" Meter Charge per month
  - $232.29  $239.03
- 4" Meter Charge per month
  - $385.52  $396.70
- 6" Meter Charge per month
  - $768.28  $790.56
- 8" Meter Charge per month
  - $1,227.76  $1,263.37

### Notes:
1. Winter water usage determined as average monthly usage from December through February.
DECLARATION OF POSTING

NOTICE OF CONTINUED PUBLIC HEARING TO CONSIDER RESOLUTION SETTING PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX FOR WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

On Thursday, June 20, 2019, in the City of Lodi, San Joaquin County, California, a Notice of Public Hearing to consider resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers (attached and marked as Exhibit A) was posted at the following locations:

- Lodi City Clerk's Office
- Lodi City Hall Lobby
- Lodi Carnegie Forum
- Worknet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on June 24, 2019, at Lodi, California.

ORDERED BY:

JENNIFER M. FERRAIOLLO  
CITY CLERK

[Signature]

PAMELA M. FARRIS  
DEPUTY CITY CLERK

[Signature]

KAYLEE CLAYTON  
ADMINISTRATIVE CLERK
NOTICE OF CONTINUED PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, July 17, 2019, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a continued public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider:

a) Resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers.

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

Jennifer M. Ferraiolo
City Clerk

Dated: June 19, 2019

Approved as to form:

Janice D. Magdich
City Attorney

AVISO: Para obtener ayuda interpretativa con esta noticia, por favor llame a la oficina de la Secretaria Municipal, a las (209) 333-6702.
City of Lodi -- Wastewater Utility
Current and Proposed Wastewater Rates

<table>
<thead>
<tr>
<th>Flat Rates ($/month)</th>
<th>Current</th>
<th>July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>$27.90</td>
<td>$28.71</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$37.20</td>
<td>$38.28</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$46.49</td>
<td>$47.84</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>$55.79</td>
<td>$57.41</td>
</tr>
<tr>
<td>5 Bedroom</td>
<td>$65.09</td>
<td>$66.98</td>
</tr>
<tr>
<td>6 Bedroom</td>
<td>$74.39</td>
<td>$76.25</td>
</tr>
<tr>
<td>7 Bedroom</td>
<td>$83.69</td>
<td>$85.12</td>
</tr>
</tbody>
</table>

Mobile Homes
- Any Size
  - Current: $27.90
  - July 2019: $28.71

Schools
- 18 Students per SSU
  - Monthly Usage Charge ($/CCF) (1)
    - Current: $36.18
    - July 2019: $37.23

Usage-Based Rates (1)
- Monthly Usage Charge ($/CCF) (1)
  - Current: $2.89
  - July 2019: $2.97
- 3/4" Meter Charge per month
  - Current: $25.40
  - July 2019: $26.14
- 1" Meter Charge per month
  - Current: $40.92
  - July 2019: $42.11
- 1 1/2" Meter Charge per month
  - Current: $79.06
  - July 2019: $81.35
- 2" Meter Charge per month
  - Current: $124.33
  - July 2019: $127.94
- 3" Meter Charge per month
  - Current: $232.29
  - July 2019: $239.03
- 4" Meter Charge per month
  - Current: $385.52
  - July 2019: $396.70
- 6" Meter Charge per month
  - Current: $768.28
  - July 2019: $790.56
- 8" Meter Charge per month
  - Current: $1,227.76
  - July 2019: $1,263.37

Notes:
(1) Winter water usage determined as average monthly usage from December through February.
Please immediately confirm receipt of this fax by calling 333-6702

CITY OF LODI
P. O. BOX 3006
LODI, CALIFORNIA 95241-1910

ADVERTISING INSTRUCTIONS

SUBJECT: NOTICE OF PUBLIC HEARING TO CONSIDER ADOPTING RESOLUTION SETTING PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX FOR WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL CUSTOMERS

PUBLISH DATE: SATURDAY, MAY 18, 2019

LEGAL AD

TEAR SHEETS WANTED: One (1) please

SEND AFFIDAVIT AND BILL TO:
LNS ACCT. #0510052

JENNIFER M. FERRAILO, CITY CLERK
City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

DATED: THURSDAY, MAY 16, 2019

ORDERED BY:

JENNIFER M. FERRAILO
CITY CLERK

PAMELA M. FARRIS
DEPUTY CITY CLERK

SYLVIA DOMINGUEZ
ADMINISTRATIVE CLERK

Verify Appearance of this Legal in the Newspaper – Copy to File

Emailed to the Sentinel at classified1@lodinews.com at 8:31 (time) on 5/16/19 (date) (pages)
DECLARATION OF POSTING

NOTICE OF PUBLIC HEARING TO CONSIDER RESOLUTION SETTING
PRE-APPROVED ENGINEERING NEWS RECORD ADJUSTMENT INDEX FOR
WASTEWATER RATES FOR RESIDENTIAL, COMMERCIAL, AND
INDUSTRIAL CUSTOMERS

On Thursday, May 16, 2019, in the City of Lodi, San Joaquin County, California, a
Notice of Public Hearing to consider resolution setting pre-approved Engineering News
Record adjustment index for wastewater rates for residential, commercial, and industrial
customers (attached and marked as Exhibit A) was posted at the following locations:

Lodi City Clerk’s Office
Lodi City Hall Lobby
Lodi Carnegie Forum
Worknet Office

I declare under penalty of perjury that the foregoing is true and correct.

Executed on May 16, 2019, at Lodi, California.

ORDERED BY:

JENNIFER M. FERRAILO
CITY CLERK

PAMELA M. FARRIS
DEPUTY CITY CLERK

SYLVIA DOMINGUEZ
ADMINISTRATIVE CLERK
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on Wednesday, June 19, 2019, at the hour of 7:00 p.m., or as soon thereafter as the matter may be heard, the City Council will conduct a public hearing at the Carnegie Forum, 305 West Pine Street, Lodi, to consider:

a) Resolution setting pre-approved Engineering News Record adjustment index for wastewater rates for residential, commercial, and industrial customers.

Information regarding this item may be obtained in the Public Works Department, 221 West Pine Street, Lodi, (209) 333-6706. All interested persons are invited to present their views and comments on this matter. Written statements may be filed with the City Clerk, City Hall, 221 West Pine Street, 2nd Floor, Lodi, 95240, at any time prior to the hearing scheduled herein, and oral statements may be made at said hearing.

If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice or in written correspondence delivered to the City Clerk, 221 West Pine Street, at or prior to the close of the public hearing.

By Order of the Lodi City Council:

[Signature]
Jennifer M. Ferraiolo
City Clerk

Dated: May 15, 2019

Approved as to form:

[Signature]
Janice D. Magdich
City Attorney

AVISO: Para obtener ayuda interpretativa con esta noticia, por favor llame a la oficina de la Secretaría Municipal, a las (209) 333-6702.
### City of Lodi -- Wastewater Utility

#### Current and Proposed Wastewater Rates

<table>
<thead>
<tr>
<th>Percent Increase</th>
<th>Current</th>
<th>July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.9</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Flat Rates ($/month)</th>
<th>Current</th>
<th>July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bedroom</td>
<td>$27.90</td>
<td>$28.71</td>
</tr>
<tr>
<td>2 Bedroom</td>
<td>$37.20</td>
<td>$38.28</td>
</tr>
<tr>
<td>3 Bedroom</td>
<td>$46.49</td>
<td>$47.84</td>
</tr>
<tr>
<td>4 Bedroom</td>
<td>$55.79</td>
<td>$57.41</td>
</tr>
<tr>
<td>5 Bedroom</td>
<td>$65.09</td>
<td>$66.98</td>
</tr>
<tr>
<td>6 Bedroom</td>
<td>$74.39</td>
<td>$76.25</td>
</tr>
<tr>
<td>7 Bedroom</td>
<td>$83.69</td>
<td>$86.12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mobile Homes</th>
<th>Any Size</th>
<th>Current</th>
<th>July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$27.90</td>
<td>$28.71</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Schools</th>
<th>18 Students per SSU</th>
<th>Current</th>
<th>July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$36.18</td>
<td>$37.23</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Usage-Based Rates (1)</th>
<th>Current</th>
<th>July 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Usage Charge ($/CCF) (1)</td>
<td>$2.89</td>
<td>$2.97</td>
</tr>
<tr>
<td>3/4&quot; Meter Charge per month</td>
<td>$25.40</td>
<td>$26.14</td>
</tr>
<tr>
<td>1&quot; Meter Charge per month</td>
<td>$40.92</td>
<td>$42.11</td>
</tr>
<tr>
<td>1 1/2&quot; Meter Charge per month</td>
<td>$79.06</td>
<td>$81.35</td>
</tr>
<tr>
<td>2&quot; Meter Charge per month</td>
<td>$124.33</td>
<td>$127.94</td>
</tr>
<tr>
<td>3&quot; Meter Charge per month</td>
<td>$232.29</td>
<td>$239.03</td>
</tr>
<tr>
<td>4&quot; Meter Charge per month</td>
<td>$385.52</td>
<td>$396.70</td>
</tr>
<tr>
<td>6&quot; Meter Charge per month</td>
<td>$768.28</td>
<td>$790.56</td>
</tr>
<tr>
<td>8&quot; Meter Charge per month</td>
<td>$1,227.76</td>
<td>$1,263.37</td>
</tr>
</tbody>
</table>

---

**Notes:**

1. Winter water usage determined as average monthly usage from December through February.
AGENDA TITLE: Adopt Resolution Approving the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the Period July 1, 2019 through June 30, 2022

MEETING DATE: July 17, 2019

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution approving the Memorandum of Understanding between the City of Lodi and the Police Officers Association of Lodi for the period July 1, 2019 through June 30, 2022.

BACKGROUND INFORMATION: Representatives from the City and the Police Officers Association of Lodi (POAL) have reached a tentative agreement on a new Memorandum of Understanding (MOU), subject to the approval of Council.

A redline strikeout version of the MOU is attached for Council review and approval. A summary of the key changes to the MOU are as follows:

- The term of the MOU shall be from July 1, 2019 through June 30, 2022.
- Nineteen and three tenths percent (19.3%) salary adjustment over the term of the contract as follows:
  - Four point three percent (4.3%) effective July 15, 2019.
  - Six percent (6.0%) effective November 4, 2019.
  - Three percent (3.0%) effective the first full pay period in January 2020.
  - Three percent (3.0%) effective the first full pay period in July 2020.
  - Three percent (3.0%) effective the first full pay period July 2021.
- Six percent (6.0%) cost sharing participation in the City’s Normal Cost contribution to CalPERS for both Classic and PEPRA members. This is in addition to cost sharing negotiated during the previous contract.
- Providing education incentives for probationary new hires to enhance the City’s ability to recruit top officers.
- Longevity pay of $1,500 annually for ten (10) years of service and $3,000 for twenty (20) years of service for employees hired July 10, 2012 and thereafter.
- Elimination of $950 of uniform allowance for all employees. Employees will still be responsible for purchasing their own uniforms.
- Extension of survivor benefits for members killed in the line of duty to include medical coverage for surviving children until the children are no longer to be covered as dependents on the plan under current law.

Both the City and POAL recognize the need to offer competitive salary and benefit packages to attract and retain talented employees. Lodi Police Department (LPD) has operated significantly below full staff for the last decade, particularly at the Police Officer level. LPD and City administration have worked together to enhance recruiting efforts, including hiring and paying new recruits as trainees during their time in the Police Academy. While this strategy has helped to fill the ranks, new hires are not useful to

APPROVED: ________________________________
Stephen Schwabauer, City Manager
reduce the workload on other officers for up to eighteen (18) months after hire due to academy requirements and field training requiring constant supervision. In addition, new hires of all types (trainee and academy graduates) have a substantial fail rate with nearly 1/3 not completing probation.

While the City desires to maintain fiscally sustainable operations, the community deserves and demands a fully staffed and capable police force filled with top notch public safety officers. The substantial salary and benefit enhancements in this contract are costly and financed by reserves. However, they are essential to ensure Lodi citizens have the public safety officers necessary to maintain law and order within the community. Without them, the City runs the risk of not being able to attract enough qualified officers to fill positions in the department. Despite the substantial salary increases, it is anticipated that POAL members will be at the midpoint in terms of total compensation at the end of the contract term as compared to agencies listed in Article I as comparable.

Staff recommends that the Council approve the MOU between the City and POAL.

FISCAL IMPACT: The total long term annual cost of the proposed agreement is $1,125,000. The total cost of the term of the agreement is $2,500,000 as shown below.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20</td>
<td>$550,000</td>
</tr>
<tr>
<td>2020/21</td>
<td>$825,000</td>
</tr>
<tr>
<td>2021/22</td>
<td>$1,125,000</td>
</tr>
<tr>
<td>Total</td>
<td>$2,500,000</td>
</tr>
</tbody>
</table>

FUNDING AVAILABLE: Budget adjustments for these increases will be needed at Mid Year Fiscal Year 2019/20. Vacancy savings are the first source for funding the increases for this and future employee contract changes in the coming Fiscal Year. These savings have been significant in the past three years allowing the City to build up substantial reserves. These reserves will be necessary to finance a portion of salary increases. Staff will first seek to prioritize Pension Stabilization Reserves held at PARS to pay eligible pension costs in order to preserve locally held economic and catastrophic reserves should actual reserves be needed. Staff will seek Council input prior to any use of reserves.

Adele Post, Human Resources Manager

Andrew Keys, Deputy City Manager

Attachment
MEMORANDUM OF UNDERSTANDING

CITY OF LODI

AND

POLICE OFFICERS ASSOCIATION OF LODI

JANUARY 1, 2018—JUNE 30, 2019
JULY 1, 2019—JUNE 30, 2022
Table of Contents

Chapter 1 - Compensation & Working Conditions .............................................4
  Article I - Salary .................................................................................................4
  Article II - Hours of Work .................................................................................4
  Article III - Overtime ..........................................................................................6
  Article IV - Rest and Meal Period .......................................................................8
  Article V - Compensatory Time ........................................................................9
  Article VI - Above Class Pay ............................................................................9
  Article VII - Education Incentive ......................................................................10
  Article VIII - Bilingual Officers ......................................................................10
  Article IX - Arson / Explosive Ordinance Incentive ........................................10
  Article X - Motor Officers ...............................................................................10
  Article XI - Canine Duty ..................................................................................11
  Article XII - Police Corporals .........................................................................12
  Article XIII - Master Officer ...........................................................................12
  Article XIV - Special Assignment Pay ..............................................................12
  Article XV - Call Back .....................................................................................13
  Article XVI - Court time ..................................................................................13
  Article XVII - Additional compensation/Longevity pay ...................................14
  Article XVIII - Uniform Allowance ..................................................................14
  Article XIX - Reserved ....................................................................................16

Chapter 2 - Leaves ...............................................................................................16
  Article XX - Catastrophic Leave ......................................................................16
  Article XXI - Family Medical Leave .................................................................16
  Article XXII - Bereavement Leave ...................................................................16
  Article XXIII - Holidays ..................................................................................16
  Article XXIV - Leaves of Absence .................................................................17
  Article XXV - Sick Leave ...............................................................................18
  Article XXVI - Vacation Leave .......................................................................18
  Article XXVII - Miscellaneous Leave ............................................................19

Chapter 3 - Insurance Benefits & Retirement ..................................................21
  Article XXVIII - Cafeteria Plan .......................................................................21
  Article XXIX - Chiropractic Insurance .............................................................21
  Article XXX - Dental Insurance ......................................................................21
  Article XXXI - Flexible Spending Account ......................................................21
Article XXXII - Vision Insurance .................................................................22
Article XXXIII - Medical Insurance ..........................................................22
Article XXXIV - Reserved ........................................................................23
Article XXXV - Deferred Compensation ....................................................23
Article XXXVI - Life Insurance ................................................................23
Article XXXVII - Public Employees’ Retirement System ..............................23
Article XXXVIII - Sick Leave Conversion Program ......................................26
Article XXXIX - Survivors Benefits ..........................................................27
Article XL - Tuition Reimbursement ..........................................................28
Chapter 4 - Association/City Issues ..........................................................28
  Article XLI - Association Time ...............................................................28
  Article XLII - Beneficial Pay Practice .......................................................29
  Article XLIII - Changes in the Memorandum of Understanding ................29
  Article XLIV - City Rights ....................................................................29
  Article XLV - Concerted Activities .........................................................30
  Article XLVI - Employee Representation ...............................................30
  Article XLVII - Employee Rights ............................................................32
  Article XLVIII - Grievance Procedure ....................................................33
  Article XLIX - Layoff Procedure .............................................................39
  Article L - Probationary Period ...............................................................40
  Article LI - Promotional Examinations ....................................................40
  Article LII - Personnel Files ..................................................................40
  Article LIII - Severability .....................................................................43
  Article LIV - Term ................................................................................43
EXHIBIT A ..............................................................................................45
  Annual Salary Effective July 15, 2019 (4.3%) ..........................................45
  Annual Salary Effective November 4, 2019 (6.0%) ..................................45
  Annual Salary Effective First Full Pay Period in January 2020 (3%) .......45
  Annual Salary Effective First Full Pay Period July 2020 (3%) .................45
  Annual Salary Effective First Full Pay Period July 2021 (3%) .................45
CHAPTER 1 - COMPENSATION & WORKING CONDITIONS

ARTICLE I - SALARY

1.1 The Salary Schedule for members of the POAL will be as set forth in Exhibit A.

1.2 Effective July 15, 2019, the City shall increase the salary ranges by four point three percent (4.3%). Effective with the first full pay period of November 2019, the City shall increase the salary ranges by six percent (6.0%). Effective the first full pay period in January 2020, the City shall increase the salary ranges by three percent (3.0%). Effective with the first full pay period in July 2020 and July 2021, the City shall increase the salary ranges by three percent (3.0%).

1.3 Although the City is not required to perform a survey during the term of this MOU, the parties agree that if a survey is performed, the fifteen cities to be surveyed shall be: Chico, Clovis, Davis, Fairfield, Merced, Manteca, Modesto, Redding, Roseville, Stockton, Tracy, Turlock, Vacaville, Visalia and Woodland.

ARTICLE II - HOURS OF WORK

2.1 Patrol Officers, Motor Officers, and Officers assigned to Investigations shall work a 4/10 plan. School Resource Officers shall work a 9/80 plan; however, the City and the POAL both mutually agree that School Resource Officers may be temporarily assigned to 4/10 schedule during the extended school breaks, between school calendar years, or at the needs of the Department.

2.2 The work period for POAL employees will consist of 7 consecutive days. This work period shall be from Monday through Sunday.
2.3 It is mutually agreed that the City has the sole right to assign personnel, to establish hours of work and work schedules, to make changes to those schedules, to schedule employees off on compensatory time, and to schedule holidays and vacations, all depending on the "needs of the service". Temporary changes to an employee’s schedule must be noticed at least 2448 hours’ in advance of the change.

2.4 The City and the POAL mutually agree that split shifts are very stressful and may cause health problems. Consequently, officers shall not work split shifts except during cases of an emergency nature. Specifically and for training purposes only, this provision does not apply to the Canine Officer assigned to Graveyard with Thursdays and Fridays off in order to better facilitate training.

2.5 All employees in the classification of Police Officer Trainee, Police Officer, and Police Corporal, shall select annually, beginning in January, for at least a one year period, their preferred days off sequence, holidays, and vacation time off on the basis of their seniority and the “needs of service” of the department.

Employees assigned to patrol shall be allowed to pick their days off sequence, shift, beat, holidays, and vacation time off based on their departmental seniority. Police Corporals shall be allowed to pick their days off sequence and shift based on their seniority within the rank of Corporal. The selections for beat, holidays, and vacation time off shall be based on their departmental seniority. Departmental seniority shall be defined as the total time in service as a member of the POAL bargaining unit. Should a member of the POAL leave membership for any reason and return to membership within 12 months, seniority shall be calculated as if the member never left the bargaining unit.

K-9 officers assigned to patrol shall pick their days off sequence and shift based on the needs of service for the department. The selections for beat, holidays and vacation time off will be based on their departmental seniority.

Employees assigned to a special assignment which includes Investigations, Traffic, Bicycle Patrol, and School Resource shall pick their days off sequence, vehicle assignment, holidays and vacation time off based on their seniority within their respective unit.
Nothing in this section prevents the department from assigning personnel based on the needs of service for the department as determined in the sole discretion of the Police Chief.

**ARTICLE III - OVERTIME**

3.1 Overtime work may be required of any employee in order to meet special or unusual needs of service beneficial to the City and community. All overtime work requires the prior approval of a supervisor. Overtime is defined as the number of hours worked in excess of the normal weekly schedule of work hours illustrated below:

<table>
<thead>
<tr>
<th>Work Schedule</th>
<th>Overtime</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 hours per day, 4 days per week</td>
<td>over ten hours in a day</td>
</tr>
<tr>
<td>9 hours per day, 9 days per period</td>
<td>over nine hours in a day</td>
</tr>
</tbody>
</table>

On the 9/80 work schedule there is one day employees’ work an eight (8) hour day. For purposes of overtime eligibility, hours worked in excess of eight (8) hours on this day shall be considered overtime.

3.2 Overtime hours shall be reported and paid at the rate of one and a half times regular pay, or any greater amount as required by law, in quarter hour increments with less than 7.5 minutes rounded down to the next quarter hour increment and over 7.5 minutes rounded up to the next quarter hour increment.

3.3 In scheduling overtime, the Department shall utilize the following Overtime Call-Out Procedure.

**Emergency Overtime Call-Out Procedure**

In the case of an emergency requiring immediate response of personnel, any employees summoned through personal contact, a message, or a page to work, shall do so promptly.

If a reasonable excuse exists that precludes the employee's response, he/she shall advise the supervisor requesting a response. It shall remain the discretion of the supervisor whether or not to require an employee to work Emergency Overtime.

**Short Notice Overtime**
Any supervisor, upon realizing the need for personnel with less than 24 hours’ notice, may initiate this procedure. The supervisor will first seek to utilize on duty employees for "hold over" or next shift employees for an "early in." In the event that the use of on duty or early in employees would necessitate these employees to work excessively long shifts, the supervisor shall attempt telephone contact with other available employees as set forth below, then utilize on duty employees in another assignment who are capable of performing the work.

Call-Out Procedure
Should an overtime assignment remain vacant following the use of the Short—Notice Overtime procedure, the supervisor shall begin a call-out of the least senior employee who has had at least one (1) day (twenty-four (24) consecutive hours) off in the last seven (7) days.
Seniority for Short Notice Overtime will not apply and will be “First Come, First Served”. Bypassing of the seniority procedure only applies to Short Notice Overtime.

Scheduled Overtime Sign-Up Lists
The supervisor responsible for scheduling shall post a sign-up for scheduled overtime. Generally, the overtime assigned by this procedure is for foreseeable overtime; i.e., training, vacations, injuries, vacancies, special assignments, etc.

The list will remain posted for five (5) days. Employees may sign up for overtime beginning with the most senior employee. Overtime will be posted in minimum increments of half shifts, i.e., four (4) hours, five (5) hours, or six (6) hours.

Should all overtime assignments not be filled through the Scheduled Overtime Sign-Up List, the scheduling supervisor shall assign the least senior qualified employee available, whether or not that employee is on the Scheduled Overtime Sign-Up List, provided that the employee is assured at least one (1) day (twenty-four (24) consecutive hours) off in each seven (7) day period.

Change of Scheduled Overtime Procedure
If the City or POAL proposes a different procedure for handling scheduled overtime during the term of the MOU, the City agrees to meet and confer with the POAL on the proposal. The parties must mutually agree on the change.
Maximum Hours
The following limitations of Short-Notice and Scheduled Overtime are prescribed:

No employee shall be scheduled to work more than fourteen and one-half (14.5) consecutive regular hours in one day, except in emergency or extraordinary circumstances.

No employee shall be scheduled to return to work without eight (8) hours between assignments.

An employee shall not be assigned to work overtime "out-of-class" without permission from the Police Chief or designee.

The Police Chief or designee may exclude any individual from an overtime assignment if in his/her estimation the individual does not possess the skills or abilities to achieve the desired objective of the assignment.

**ARTICLE IV – REST AND MEAL PERIOD**

4.1 The intent of the rest period is to ensure that the officer is adequately rested for his/her assigned work shift.

a. Officers will receive a continuous eight hour rest period immediately preceding or immediately following their scheduled court appearance or other departmental assignment(s), if less than eight hours has elapsed during:

1) the time period that officer’s regular work shift ends and his/her scheduled appearance/ assignment time; or
2) the time period that officer is dismissed and his/her regular work shift begins.

This rest period will not be charged to the officer.

b. If an officer receives approval to take the remaining portion of his or her scheduled shift off, the officer’s leave balances will be charged for the entire shift (as if no rest period has occurred).
The rest period does not apply when an officer is scheduled for court or appearance/assignment the day immediately following a day off.

4.2 If an officer is called to duty or remains on duty for any reason within that rest period or into his/her normal shift, he/she shall be compensated at 150% of his/her normal rate of pay.

4.3 Officers assigned to work a 4/10 or 9/80 schedule will receive a one (1) hour paid meal period when operationally feasible. Officers may elect to utilize the one (1) hour paid meal break to work out in the gym on the second floor of the Police Department. Officers who choose to work out in the department gym must follow the guidelines as set forth in the Department’s Lexipol meal break policy.

**ARTICLE V - COMPENSATORY TIME**

5.1 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour of overtime worked.

5.2 No more than 240 hours of compensatory time may be carried on the books at any time.

5.3 An employee’s decision to elect compensatory time instead of overtime pay is irrevocable.

5.4 Upon separation, the employee will be paid at the employee’s current hourly rate or the average of the last three years, whichever is higher, for the remaining compensatory balance.

5.5 Bargaining unit members shall be allowed to cash out up to a maximum of 100 hours of earned compensatory time off twice per year, in April and October.

**ARTICLE VI - ABOVE CLASS PAY**

6.1 All employees in this bargaining unit who are required to work in a higher classification shall be paid an additional 5% of the employee's normal salary including any allowance or education incentive pay currently enjoyed by the employee if the position is vacant for
more than 10 consecutive calendar days because of vacancy, illness, or industrial or non-industrial accident.

**ARTICLE VII - EDUCATION INCENTIVE**

7.1 Education incentive pay shall be as follows:

- Bachelor’s Degree $200.00 per month
- Basic POST Certificate $50.00 per month
- Intermediate POST Certificate $150.00 per month
- Advanced POST Certificate $300.00 per month

No employee shall be entitled to additional pay provided in this paragraph until completion of the appropriate probationary period. The POST Incentives set forth in this clause are paid at the highest level certificate held (i.e. they are not stackable).

**ARTICLE VIII - BILINGUAL OFFICERS**

8.1 Employees designated by the Police Chief and approved by the City Manager who have passed a bilingual proficiency examination administered by the City shall receive a monthly bilingual allowance of $150.00. Officers shall not be eligible for the bilingual allowance while attending a POST Basic Academy.

**ARTICLE IX - ARSON / EXPLOSIVE ORDINANCE INCENTIVE**

9.1 Officers performing the Arson / Explosive Ordinance function shall be paid an incentive of an additional 4.5% of the employee's base salary.

**ARTICLE X - MOTOR OFFICERS**

10.1 Officers assigned to the Motors Unit shall be paid an incentive of 4.5% of the employee’s base salary. It is mutually agreed this incentive fully compensates the officer for the time taken for regular pre-shift preparation, washing, minor maintenance, transportation of the vehicle to repair facilities within the City of Lodi, and any permitted transportation of the motorcycle to and from home. It is also mutually agreed that assignments to the Motor Unit are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers
may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

ARTICLE XI - CANINE DUTY

11.1 The pay provisions for canine duty shall be regulated only by the following:

a. The City and POAL estimate that the time canine officers spend in all aspects of the care, feeding, exercise, transport to/from work, and maintenance of their canines, on a weekly basis, is seven (7) hours, payable at the federal minimum wage overtime rate. They agree that any time spent in excess of such time is not reasonably necessary and is accordingly not authorized. The full compensation due officers for the performance of their canine responsibilities, on a bi-weekly basis, is $152.25. In the event of a change in federal minimum wage, the parties agree to re-open this section to adjust full compensation for these duties such that full compensation for these duties will equal at least 4.5% of base pay. Both parties believe that this agreement complies with the requirements of the Fair Labor Standards Act. For purposes of calculating overtime for work performed by police officers in their capacity as police officers, the reference above shall be part of the base salary rate.

11.2 It is mutually agreed that assignments to the Canine program are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

11.3 Officers assigned to the Canine program shall continue in this assignment for a period of not more than five years and shall be compensated at the officer's regular rate of pay including appropriate incentive pay(s). Upon completion of the fifth year, the officer's performance shall be evaluated, along with any other submitted applications of interest
for the position of Canine, for the purpose of filling the position in the program. If no other applications of interest have been submitted for the position in the Canine program, the officer holding the position may be extended for a period of two more years whereupon another evaluation period, previously mentioned, shall commence. (The City reserves the right to conduct annual evaluations on Canine Officers.)

**ARTICLE XII - POLICE CORPORALS**

12.1 Corporals shall wear the insignia (two stripes) currently in use for the Field Training Officer and they shall receive an allowance equal to 6.0% of their normal base pay. It is mutually agreed that part of the Corporal duties are those of supervision in the absence of the Sergeant. It is also mutually agreed that Corporals shall not accept, investigate, or in any form, handle any matter of discipline.

**ARTICLE XIII - MASTER OFFICER**

13.1 POAL members who have completed 8 years of sworn service (minimum of one year of service with the City of Lodi for Laterals), who possess their Advanced POST certificate, and who have successfully passed a written examination administered by the Human Resources Division shall be paid an incentive of 3% of the employee’s base salary and be designated as a Master Officer. Written examinations shall be administered in April and October each year, contingent on having qualified employees to take the examination.

13.2 Master Officers may be considered for Field Training Officer (FTO); however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid an incentive of 3% of the employee’s base salary when assigned as an FTO. Corporals will not be eligible for this additional 3% FTO incentive.

13.3 Master Officers may be considered for Field Supervisor; however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid an incentive of 3% of the employee’s base salary when assigned as a Field Supervisor. Corporals will not be eligible for this additional 3% Field Supervisor incentive.

**ARTICLE XIV - SPECIAL ASSIGNMENT PAY**
14.1 Officers assigned to Investigations and SWAT shall receive an allowance equal to 4.5% of their normal base pay. It is mutually agreed that assignments to Investigations and SWAT are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

**ARTICLE XV - CALL BACK**

15.1 Officers called to appear for work within two hours of the beginning of a shift, or one hour after the shift, shall receive overtime at the rate of time and one-half. Such appearances shall be reported as contiguous shift extensions. If the appearance begins more than two hours before or more than one hour after the scheduled shift, the employee will be credited a minimum of three hours at the time and one-half rate.

When an officer is ordered back to work on an "as soon as possible" basis and reports within thirty minutes, the officer shall be compensated from the time of the call.

**ARTICLE XVI - COURT TIME**

16.1 Police Officers scheduled to make court appearances during off-duty hours, on scheduled days off, or when on graveyard shift, shall be compensated at the rate of time and one-half for actual hours involved in such appearances. In no event shall they be paid for less than four hours.

16.2 Court appearances which are within two hours of the beginning of a shift or within one hour of the end of the shift shall be compensated at the time and one-half rate. Such appearances shall be reported as contiguous shift extensions.

16.3 Cancellation of scheduled appearance must be made at least two hours before said scheduled appearance or the minimum four hours shall be paid.
16.4 Officers who receive a subpoena to appear in court, shall notify the Watch Commander of the appearance date and time in order to provide the Watch Commander time to review the schedule to determine if rest period time is required, or additional staff will be needed.

**ARTICLE XVII - ADDITIONAL COMPENSATION/LOYALTY LONGEVITY PAY PROGRAM**

17.1 After completing ten years of service with the Lodi Police Department, employees shall receive an annual longevity compensation amount of $1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Police Department. Employees who have completed twenty years of service with the Lodi Police Department will receive an annual longevity compensation amount of $3,000 on November of the year following completion of twenty full years of service and each year thereafter.

17.2 For the purposes of this article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Police Department) shall receive the longevity compensation associated with their years of service with the Lodi Police Department.

The Incentive in this Article is limited to employees hired prior to July 10, 2012.

**ARTICLE XVIII - UNIFORM ALLOWANCE**

18.1 The uniform allowance shall be $950 annually paid bi-weekly in the employee’s normal payroll check.

18.2 The City agrees to pay a sum of $1,200 to offset the initial uniform and equipment costs required for a Motor Officer and to pay an additional $800 annual uniform allowance for those officers assigned to Motors, paid bi-weekly in the employee’s normal payroll check.

18.3 If a Motor Officer fails to complete an 18-month assignment he/she agrees to reimburse the City on a prorated basis for each month not completed. If he/she is relieved for lack
of performance before the minimum 18 months, he/she shall also reimburse the City on the same prorated basis. If he/she completes the 18-month assignment the equipment becomes the officer's sole possession.

18.4 Effective July 15, 2019, the uniform allowance provided in Section 18.1 is eliminated.

18.5 The City agrees to provide each officer a set of "Threat Level 3-A" body armor. When an employee is on patrol he/she agrees to wear his/her body armor.

a. In that the City and POAL agree that officer safety is paramount, the City agrees to replace all ballistic vests prior to the end of the fifth year from the date of manufacture.

b. The City agrees to furnish each officer an SL-20 flashlight by Streamlight. The City agrees to exchange the flashlight battery and flashlight bulb upon request, but no more often than once in any twelve-month period.

18.6 Uniforms and safety equipment damaged in the line of duty shall be replaced or repaired by the City.

18.6 Upon appointment to the classification of Police Officer or Police Officer Trainee, the individual will be given an amount equal to the annual uniform allowance for the sole purpose of purchasing City approved uniforms and equipment. The employee will not receive a bi-weekly uniform allowance until after 12 months of employment.

If the employee's employment is terminated for whatever reason during the first 12 months of employment, the entire uniform allotment will be deducted from the employee's severance pay.

18.7 If an employee is terminated, all remaining bi-weekly uniform allowance payments will be forfeited as of the termination date.

18.7 The City and POAL will continue to work together on the concept of a Quarter Master uniform program and if mutually agreeable the program may be implemented through a side-letter agreement or contract amendment.
CHAPTER 2 - LEAVES

ARTICLE XX - CATASTROPHIC LEAVE

20.1 Catastrophic Leave is available to employees in accordance with the City’s current Catastrophic Leave policy.

ARTICLE XXI - FAMILY MEDICAL LEAVE

21.1 Family Medical Leave is available to employees in accordance with the City’s current Family Medical Leave policy.

ARTICLE XXII - BEREAVEMENT LEAVE

22.1 Bereavement Leave is available to employees in accordance with the City’s current Bereavement Leave policy.

ARTICLE XXIII - HOLIDAYS

23.1 Effective January 1 of each year, each represented member of the POAL shall receive 135 hours of holiday leave which may be taken on any day of the week depending on the needs of the service. Holiday Leave may be taken in hourly increments.

23.2 Police Officers assigned to patrol shall pick holidays by seniority, in one-shift increments, depending on the needs of the service. There shall be no fixed holidays during the year with the exception that the current practice of Thanksgiving, Christmas, and New Year's holidays be fixed (i.e. - the actual date on which the holiday falls is recognized and therefore taken) for officers assigned to Motors shall be continued.
Employees hired or separating from service mid-year shall be credited with holiday leave on a prorated basis with the exception that the three holidays fixed for Motor Officers shall not be prorated.

23.3 Officers assigned to Investigations shall observe the following holiday schedule, unless the needs of the department dictate otherwise:

- New Year’s Day: January 1
- Martin Luther King, Jr. Day: 3rd Monday in January
- President’s Day: 3rd Monday in February
- Memorial Day: Last Monday in May
- Independence Day: July 4
- Labor Day: 1st Monday in September
- Thanksgiving Day: 4th Thursday in November
- Day after Thanksgiving: Friday following Thanksgiving
- Afternoon of Christmas Eve: half day on December 24
- Christmas: December 25

If one of these days falls on a Saturday, the preceding Friday shall be observed, and if one of these days falls on Sunday, the succeeding Monday shall be observed. Officers may use their remaining holiday leave at a time mutually agreeable to the officer and his/her supervisor.

In lieu of the holiday schedule set forth above, effective January 1, 2019, all bargaining unit members, regardless of assignment, shall receive 135 hours of holiday leave which may be taken on any day based on the needs of the Department as determined by the Chief or designee.

23.4 Bargaining unit members shall be allowed to cash out holiday time in April and October. If holiday time is not used by the end of the calendar year, it will be cashed out to the employee. Holiday time cashed out shall be paid at the employee’s regular rate of pay.

ARTICLE XXIV - LEAVES OF ABSENCE

24.1 Leaves of Absence are available to employees in accordance with the City’s current Leave of Absence policy.
ARTICLE XXV - SICK LEAVE

25.1 The objective of this section is to provide methods of furthering the health and general welfare of City employees, as well as ensuring maximum and reasonable job attendance. Sick leave should not be viewed as a right to be used at the employee’s discretion, rather it is a benefit of paid time away from the work duties in the event of one of the following circumstances:

a. Actual illness or injury of the employee.

b. Medical or dental appointments of employee, or employee’s immediate family members, when such appointments cannot be arranged during off-duty hours, and when the employee’s family member is incapable of independently attending such appointments.

c. Where the employee’s medical attention to an immediate family member is required.

d. Emergency leave to the death or imminent death of family members.

25.2 Effective the pay period beginning October 25, 2004, all employees shall accumulate sick leave at the rate of 5.54 hours per pay period (144 hours per year).

25.3 Sick leave may be accumulated to an unlimited amount.

ARTICLE XXVI - VACATION LEAVE

26.1 Vacation accruals shall be as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Hours per Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5 years</td>
<td>3.08</td>
</tr>
<tr>
<td>6-11 years</td>
<td>4.62</td>
</tr>
<tr>
<td>12-14 years</td>
<td>5.24</td>
</tr>
<tr>
<td>15-20 years</td>
<td>6.16</td>
</tr>
<tr>
<td>21 years</td>
<td>6.47</td>
</tr>
<tr>
<td>22 years</td>
<td>6.78</td>
</tr>
<tr>
<td>23 years</td>
<td>7.09</td>
</tr>
<tr>
<td>24 years</td>
<td>7.40</td>
</tr>
</tbody>
</table>
25 years  7.71 hours per pay period

26.2 During the first continuous 12 months of employment, vacation days shall be earned but may not be taken. An employee who terminates employment for any reason during the first 12 months of employment shall be entitled to cash out of accrued and unused vacation leave.

26.3 At the completion of 12 continuous months of employment, the employee is eligible to take his/her accrued vacation leave in accordance with department policy.

26.4 The maximum amount of unused vacation hours that an employee may accrue, at any given time is twice the employee’s annual vacation entitlement. Whenever an employee’s unused, accrued vacation has reached this maximum accrual amount, the employee shall stop accruing any additional vacation. Accrual will automatically resume once the employee uses some vacation and the accrual balance falls below the maximum accrual amount.

Under extenuating circumstances, requests to accrue vacation leave over the maximum may be authorized by the City Manager. For all other issues regarding Vacation Leave refer to the City’s Policy on Vacation Leave.

26.5 All persons hired after October 10, 1994, shall only accrue a maximum of 6.16 hours of vacation per pay period.

26.6 Employees shall be eligible to annually cash out all accrued vacation hours in excess of 80 hours in October of the calendar year. The cash out payment will include the employee’s incentive pay(s) in the calculation.

**ARTICLE XXVII - MISCELLANEOUS LEAVE**

27.1 Upon adoption of this MOU, the City agrees to create a special leave bank of eighty (80) hours of non-cashable leave. All leave must be used by December 31, 2019 or it will be forfeited. These leave hours are separate from all other leave hours and shall not affect any maximum accrual hours of any other leave banks. The provisions in this paragraph sunset on December 31, 2019.
CHAPTER 3 - INSURANCE BENEFITS & RETIREMENT

ARTICLE XXVIII - CAFETERIA PLAN

28.1 The City intends to propose a cafeteria based benefit program that would incorporate but not be limited to Medical, Dental, Visions, Chiropractic and Life Insurance. The above terms of this Agreement will be reopened for negotiation upon the City’s presentation of a draft plan. The City will form a committee, comprised of one member from each Bargaining Unit, along with City staff to discuss the contents of said cafeteria plan. The City’s proposed cafeteria plan will offer substantially the same or better benefits to those currently received by unit members.

ARTICLE XXIX - CHIROPRACTIC INSURANCE

29.1 Chiropractic services may be received by employees and dependents. This benefit allows up to a maximum of 40 visits per calendar year. Co-payments for services are $10.00.

ARTICLE XXX - DENTAL INSURANCE

30.1 The City agrees to provide a dental plan equivalent to the Stanislaus Foundation for Medical Care dental plan (group number 5110) to all employees and their eligible dependents. The City reserves the right to select any dental administrator.

30.2 The City shall pay the full cost of the dental premium for the employee and one-half the premium for eligible dependents for the term of this agreement.

ARTICLE XXXI - FLEXIBLE SPENDING ACCOUNT

31.1 Members of this unit are eligible to participate in the City’s Flexible Spending Account Program which allows employees to pay for unreimbursed medical costs, insurance premiums, and child care costs to be paid with pre-taxed dollars. Effective in plan year 2018, the Medical Flexible Spending Account (FSA) will include a carryover provision which allows an active participant to automatically carryover up to $500 to the new plan year. However, amounts over $500 would be forfeited after the final filing date, as set by the program, if left unclaimed.
ARTICLE XXXII - VISION INSURANCE

32.1 The City agrees to provide, at its expense, a Vision Care Plan equivalent to the VSP Plan B with a $25.00 deductible for employee and eligible dependents. The entire premium shall be paid by the City. The City reserves the right to select any vision carrier.

ARTICLE XXXIII - MEDICAL INSURANCE

33.1 The City shall offer medical insurance equivalent to the CalPERS Health Program. If no equal alternative is readily available, the City and the POAL will meet to negotiate alternatives promptly. To the extent the provider discontinues or changes the medical plan coverage, these changes are not the responsibility of the City. The City shall however, make every effort to retain the medical plan as agreed to by the POAL and City.

33.2 All employees are offered medical insurance for themselves and eligible dependents through CalPERS medical plans.

If an employee waives medical insurance through the City, the employee may at their option take the following in cash or deposited into their deferred compensation account:

- $692.81 per month for Family
- $532.92 per month for Employee + 1
- $305.22 per month for Employee Only

In order to qualify for this provision, proof of group insurance must be provided to the City.

Effective January 1, 2018, City will pay a maximum of the following for each family category:

- $1,794.51 per month for Family
- $1,380.39 per month for Employee + 1
- $690.20 per month for Employee Only

If employee selects a higher cost plan, employee will pay the difference as a payroll deduction.
POAL shall allow a number equal to half of their membership of City employees to become associate members of POAL solely to allow access to health plans not otherwise available to non-public safety members. Associate memberships shall be allotted on a first-come, first-served basis.

33.3 Employees shall be eligible for medical insurance the first day of the month following the date the employee becomes a full-time probationary employee of the City.

33.4 Employees who retire on a service retirement shall have the option of purchasing, at the employee’s cost, additional medical insurance sufficient to reach age 65.

33.5 The City will make every effort to keep the POAL informed early of changes to coverage, premiums, or policies, and will notify the POAL of any such proposed change within ten days of receiving such notice. This includes forwarding copies of supporting documents, reports and periodic satisfaction surveys to the POAL within ten days of receipt of such supporting documents, reports and periodic satisfaction surveys.

ARTICLE XXXIV - RESERVED

ARTICLE XXXV - DEFERRED COMPENSATION

35.1 Employees may voluntarily participate in the City of Lodi’s Deferred Compensation Plan as allowed by IRS Code 457(k).

35.2 The City shall match contributions by an employee to a deferred compensation program up to a maximum 3.0% of the employee’s gross salary.

ARTICLE XXXVI - LIFE INSURANCE

36.1 The City agrees to provide each covered member a $50,000 accidental death policy in addition to any other life insurance policy or statutory payments that may be due to an employee in the event of death resulting from a line-of-duty injury.

ARTICLE XXXVII - PUBLIC EMPLOYEES’ RETIREMENT SYSTEM
37.1 The City of Lodi provides retirement benefits through the Public Employees Retirement System. Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 who are deemed “classic” employees by PERS:

Public Safety

- 3% @ 50 plan
- 1959 Survivors Benefit – Third Level
- Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Single Highest Year

37.2 For employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

Public Safety

- 3% @ 55 plan
- 1959 Survivor Benefit – Third Level
- Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest Three Year Average

37.3 The City agrees to provide the following PERS retirement program and to pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

Public Safety

- 2.7% @ 57 plan
- 1959 Survivor Benefit – Third Level
- Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest Three Year Average
• Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

37.4 All employees deemed “classic” safety members of CalPERS as referenced in Article 37.1 and 37.2 shall pay nine percent (9%) of the PERS employee’s contribution and three percent (3%) of the PERS employer’s contribution on a pre-tax basis. Employee contributions to the employer’s portion are credited to each employee’s account.

37.5 All employees deemed as “new” Safety members under the Public Employees’ Pension Reform Act of 2013 (PEPRA), shall contribute on a pre-tax basis the greater of 12% or the Required PEPRA Member Contribution Rate as determined by CalPERS. Should the 12% contribution exceed the Required PEPRA Member Contribution Rate, the excess amount shall not be credited to the employee’s account.

37.6 Effective upon a contract amendment with CalPERS, anticipated for November 4, 2019, all employees in the bargaining unit shall pay an additional six percent (6%) of the employer’s contribution, in addition to previously agreed upon cost-sharing outlined in section 37.4 and 37.5 above. Classic safety members shall pay a total of nine percent (9%) of the employer’s normal cost (cost-sharing). PEPRA members shall pay a total of six percent (6%) of the employer’s normal cost (cost-sharing). Once an affirmative vote by those employees defined as PEPRA members, agreeing to the additional six percent (6%) cost-share, employee contributions to the employer’s portion shall be credited to each employee’s account. In addition to the six percent (6%) cost-sharing above, PEPRA members will contribute a minimum of twelve percent (12%) or the Required PEPRA Member Contribution Rate as determined annually by CalPERS as outlined in section 37.5.

37.7 Should a contract amendment with CalPERS not be finalized by November 4, 2019, beginning November 4, 2019, all employees in the bargaining unit shall contribute on a pre-tax basis an additional 6% to the PEPRA member Contribution Rate or the PERS employer contribution. This will be in addition to any contributions under sections 37.4
and 37.5. This amount will be contributed by employees from November 4, 2019 until such time as a contract amendment with CalPERS is finalized. Amounts contributed under this section will not be credited to the employee’s account. Upon successful completion of a contract amendment with CalPERS, this section 37.7 is null and void and section 37.4 through section 37.6 shall govern the employee’s contributions towards the employer’s normal costs.

ARTICLE XXXVIII - SICK LEAVE CONVERSION PROGRAM

38.1 This section applies to all employees hired prior to October 10, 1994.

For all unused sick leave, a represented employee with ten years of employment with the City shall receive medical insurance coverage upon retirement (but not upon resignation or termination) on the following basis:

OPTION #1 – “Bank”
Fifty percent (50%) of the dollar value of sick leave will be placed into a "bank" to be used for medical insurance premiums for the employee and dependents. For each year that an employee has been employed in excess of 10 years, two and one-half percent (2.5%) will be added to the fifty percent (50%) for valuing the size of the bank.

For example:

Officer Smith retires with 20 years of service and 1800 hours of sick leave. His/her monthly salary is $3,412.47 ($19.61 per hour).

1800 x .75 x $19.61 = $24,473.50

This amount will be reduced each month by the current premium for the employee and dependent until the balance is gone. In the event the retiree dies the remaining bank will be reduced by fifty percent (50%) and the survivor may use the bank until the balance is gone or may cash out the remaining balance.

OPTION #2 – “Conversion”
The number of accumulated hours shall be multiplied by 50% and converted to days. The City shall pay one month’s premium for employee and dependents for each day after conversion. For each year of employment in excess of 10 years, 2.5% shall be added to
the 50% before conversion. The amount of premium paid shall be the same as the premium paid by the City at the time of retirement, subject to the cap shown in Section 33.2 of this MOU. Any differences created by an increase in premiums must be paid for by the employee.

For example:

Officer Smith retires with 25 years of service and 1800 hours of unused sick leave:

\[
\text{Sick Leave Hours} = 1800 \div 8 = 225 \\
225 \times 87.5\% = 196.88 \\
196 \div 12 = 16.4 \text{ total years of coverage}
\]

OPTION #3 – “Service Credit”
Employees may elect to add PERS credit for unused sick leave per Government Code Section 20868.8. This benefit is available to all employees regardless of the date hired; however, it is the only sick leave conversion benefit available to employees hired after October 10, 1994. It is agreed that eight hours equals one day for purposes of determining days creditable. If an eligible employee opts to utilize the provisions of Section 38.1, the City will report they have zero hours of unused sick leave.

38.2 In the event an active employee dies before retirement and that employee is vested in the sick leave conversion program (10 years) the surviving dependents have an interest in one-half the value of the bank as calculated in option #1.

38.3 In accordance with the sick leave conversion provisions, a surviving spouse may at his/her own expense, continue medical insurance at the employee only premium for the same period as if the employee had not died.

38.4 Out of area retirees may receive reimbursement for medical insurance premiums up to the City's liability as specified in Section 38.1 of this Article.

ARTICLE XXXIX - SURVIVORS BENEFITS

39.1 The City shall pay 100% of the premiums for health and dental benefits described in this MOU for the surviving spouse and any minor children of any member of the POAL who
is killed or dies during the performance of official duties. Premiums will be paid at the current rate in effect at the time of the member's death. Premiums will continue to be paid by the City until such time as the surviving spouse is covered by other insurance or remarries, and for dependent children of the member killed in the line of duty until such time as either:

a. the children become adults, or are no longer eligible by law to be covered as dependents on the plan, or

b. the children are covered under other alternative medical coverage provided by and through the surviving spouse or the person who he/she remarry.

39.2 Survivor benefits (listed in 4856 of the California Labor Code) do not apply to Police Officer Trainee until such time that he/she is sworn pursuant to Article 20, Section 3

39.3 Disability benefits (listed in 4850 of the California Labor Code) shall not apply to until such time that he/she is sworn pursuant to Article 20, Section 3.

**ARTICLE XL - TUITION REIMBURSEMENT**

40.1 Tuition Reimbursement is available to employees in accordance with the City’s current Tuition Reimbursement policy

**CHAPTER 4 - ASSOCIATION/CITY ISSUES**

**ARTICLE XLI - ASSOCIATION TIME**

41.1 Individual bargaining unit members may donate from their accrued vacation leave, holiday leave, or compensatory time off up to a total of 800 hours per calendar year for Association business directly related to representation of Lodi Police Officers. The President of the POAL may designate members of the Association to utilize this time. Only one member at a time may be absent unless mutually agreed that additional members may be absent. Five days advance notice of use of time shall be given. The time may be used only in hourly increments with a two-hour minimum.

41.2 The POAL has the right to purchase additional time at the rate of 150% of base pay.
41.3 Except in cases of an emergency, the President of the POAL shall be granted one day per week wherein half of one day's shift per week may be used for the performance of the duties of the office of President of the POAL. This time shall be scheduled at a time mutually agreed upon between the POAL President and the Police Chief or his designee. Such time shall be charged to the Association time bank.

**ARTICLE XLII - BENEFICIAL PAY PRACTICE**

42.1 If the department, in its sole discretion, wishes to implement a new beneficial pay practice, it will notify the POAL and provide an opportunity to meet and confer.

**ARTICLE XLIII - CHANGES IN THE MEMORANDUM OF UNDERSTANDING**

43.1 The City and the POAL agree to reopen this MOU and to renew Meeting and Conferring on the subjects set forth herein during the term of this MOU in the event that any provision of this MOU is modified by statute or by a competent order of a court in such a way as to affect either the employees or the City. In such event, all remaining provisions of the MOU shall continue in full force and effect unless and until they are also modified by statute or competent order of a court or agreement of the City and the POAL.

**ARTICLE XLIV - CITY RIGHTS**

44.1 It is further understood and agreed between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include but are not limited to, the exclusive rights to:

- Determine the mission of its constituent departments, commissions, and boards.
- Set standards of service.
- Determine the procedures and standards of selection for employment.
- Direct its employees.
- Maintain the efficiency of governmental operations.
- Determine the methods, means, and personnel by which government operations are conducted.
- Take all necessary actions to carry out its mission in emergencies.
- Exercise complete control and discretion and the technology of performing its work.
City rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to make and enforce standards of conduct and discipline, and to determine the content of job classifications; provided, however, that nothing herein may be read to extend the term of the MOU nor to supplement negotiations as a means for arriving at terms for a successor MOU.

**ARTICLE XLV - CONCERTED ACTIVITIES**

45.1 The POAL and employees agree that they will not engage in any strike, sympathy strike, slowdowns, work to rule, “blue flu”, or other concerted withholding of services. In the event of any such activity, the POAL will take any such activity to a cessation immediately. The association and all employees covered by this agreement acknowledge that any such activity by employees covered by this agreement is misconduct which may lead to discipline up to termination.

**ARTICLE XLVI - EMPLOYEE REPRESENTATION**

46.1 This Memorandum of Understanding (MOU) is entered into between representatives of the City of Lodi (City) and representatives of the Police Officers' Association of Lodi (POAL).

The parties hereto acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq. of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth herein.

Both parties each certify without reservation that an adequate opportunity has been afforded its bargaining representatives to propose and vigorously advocate all negotiable subject matter during the course of collective negotiations preparatory to signing this agreement. City will meet and confer before changing a policy or general order that is subject to meet and confer under the Meyers-Milias-Brown Act.

The terms and conditions of this MOU are applicable to Police Officer Trainee, Police Officer and Police Corporal.
It is mutually agreed that this document supersedes all previous MOU’s and all practices not defined in this MOU.

The terms and conditions of this MOU shall continue in effect during the term of this MOU.

The City and the POAL agree and understand that if any section of this MOU in any way conflicts with the terms and conditions of employment stated in other authorities, such as personnel rules, administrative policy and procedure manual, City resolutions, or City ordinances, any ambiguity will be resolved in favor of the MOU language. If the MOU is silent on an issue, the applicable document (i.e. policy manual or rules for personnel administration) is controlling. State and Federal laws will be adhered to.

46.2 The City and the POAL mutually agree that the City shall grant dues deduction to City employees who are members of the POAL in accordance with the terms and conditions set forth in Section 4, Rule 2 of City of Lodi Resolution No. 3344 entitled "Adopting Rules and Regulations to Implement Provisions of the Employee-Employer Relations Resolution." The POAL shall indemnify, defend, and hold the City harmless against any claims made and against any suit instituted against the City on account of check-off of said employee organization's dues. In addition, the POAL shall refund to the City any amounts paid to it in error upon presentation of supporting evidence. An authorization for payroll deductions may be canceled or modified upon written notice to the City and the Association before the 20th day of the month in which the cancellation is to become effective, subject to the provisions of this article. Any dues check-off cancellation or modification notice shall first be forwarded to the POAL for notation and then returned to Payroll prior to any change in a members dues check-off.

46.3 The City shall make available a period of one hour to the association in each recruit class with an end toward education of each employee of the rights and benefits under the collective bargaining agreement, as well as other association benefits, and the responsibilities of the employee and the organization of the association with an end toward having an employee who would become a better association member and a better employee.
46.4 All new hires in the classification of Police Officer Trainee shall remain in this category until they have completed their field training program and have been certified to work as a Police Officer.

46.5 For purposes of continued certification of the POAL as the recognized employee organization for this unit, employees who are members or hereafter become members shall maintain membership with the POAL for the life of this MOU except that any unit employee may withdraw from membership not earlier than ninety days nor less than sixty days before the expiration of this MOU. Such withdrawal must be in writing and delivered to the POAL. A copy of the request shall be forwarded to the Finance Department upon receipt by the POAL.

46.6 The City agrees to recognize the POAL representatives for the purpose of representing members of the POAL on all matters relating to the administration of this MOU, and, upon the request of an employee, on adverse actions and other matters which may be or are on appeal in accordance with Article XLVII of this MOU.

**Article XLVII - Employee Rights**

47.1 The City agrees that all disciplinary actions shall be taken in a timely manner, recognizing that imposing discipline, grieving such discipline, investigations, and criminal proceedings may preclude timely action. This process also includes investigations of the complaint, recommending discipline to the office of the Police Chief, and the imposition of discipline.

47.2 The POAL retains the right to provide representation for employees in the classification of Police Officer Trainee, though it is acknowledged that prior to being sworn pursuant to Article 20, Section 3, that the Police Officers Procedural Bill of Rights is not applicable to those employees. The City and its employees agree that disciplinary actions involving employees in the classification of Police Officer Trainee, prior to being sworn, will continue to be handled in a manner consistent with other member of this bargaining unit.

47.3 It is understood by both parties that the POAL, in addition to any other rights herein specified, has the following rights:
1. To represent its members before the City regarding wages, hours, and other terms and conditions of employment.

2. To receive timely written notice of changes to or adoption of any rule or regulation directly relating to wages, hours and other terms and conditions of employment.

3. With an employee’s written consent, an authorized POAL representative shall be permitted, upon request, to inspect the employee's official departmental personnel file during normal business hours. Such review shall not interfere with normal business of the Department.

The City agrees to recognize the POAL representatives for the purpose of representing employees on all matters relating to the administration of this MOU; and, upon the request of an employee on adverse actions and other matters which may be or are on appeal in accordance with Article XLVI of this MOU.

47.4 The City agrees to provide each represented employee with copies of special orders, general orders, training bulletins, departmental rules and regulations, and a copy of this MOU.

47.5 The City agrees not to interfere or in any way discriminate against an employee for exercising his/her right to belong to an employee organization or to exercise his/her rights under this MOU. The POAL similarly agrees that it will not interfere with or discriminate against employees for exercising rights to belong or refrain from belonging to, supporting, or participating in the activities of an employee organization.

47.6 Both the City and the POAL agree that no employee shall be subjected to any discrimination by the City or fellow employees in any matter relating to hiring, promotion, assignment, wages, or conditions of employment because of age, sex, creed, color, or national origin. Alleged discriminatory acts are subject to the City’s Policy and Procedure regarding Discrimination, not the grievance procedure.

**ARTICLE XLVIII - GRIEVANCE PROCEDURE**

48.1 Intent and definitions of this section:
a. This grievance procedure shall be used to process and resolve disputes regarding the interpretation or application of any of the terms and conditions of this MOU, Letters of Understanding, and formal interpretations and clarifications executed by the POAL and the City.

b. The intent of this procedure is to resolve grievances informally at the lowest possible level and to provide an orderly procedure for reviewing and resolving grievances promptly.

c. A grievance is a good faith complaint of one or a group of employees or a dispute between the City and the POAL involving the interpretation, application, or enforcement of the express terms of this MOU and other terms and conditions of employment and matters of discipline.

d. As used in this procedure, the term "party" means an employee, the POAL, the City, or their authorized representatives. The employee is entitled to representation through all the steps in the procedure.

e. As used in this procedure the term “working days” refers to Monday through Friday, excluding City-recognized holidays.

48.2 Grievance Procedure

A. Grievances in General. An employee, individually or in representation of a group of employees, may complain to City management through the grievance procedure regarding any matter relating to that employee's wages, hours, or conditions of employment. A grievance may be either formal or informal. An informal grievance is a prerequisite to filing a formal grievance.

B. Informal Grievance. An employee, individually or in representation of a group of employees, with a grievance shall first discuss the matter with his or her immediate supervisor within ten (10) working days of the matter complained of. The supervisor and the employee shall attempt to informally resolve the dispute. If this is not accomplished, the employee shall next discuss the matter with the next level of supervision within ten (10) working days of the unsuccessful discussion and so on, until the employee reaches the Police Chief. The decision
of the Police Chief regarding an informal grievance shall be final unless the employee files a formal grievance. A request for the grievance to be presented in writing may be made at any supervisory level and shall be made prior to filing a formal grievance.

C. Formal Grievance

1. An employee, individually or in representation of a group of employees, who has a grievance which remains unresolved after utilizing the informal grievance procedure may file a formal grievance in writing. The employee shall file a formal written grievance with the City Manager or designee within ten (10) working days after the final decision on the informal grievance. The formal grievance shall contain all relevant information relating to the grievance which the employee wishes the City Manager to consider. The City Manager or designee shall meet with and respond in writing to the employee within ten (10) working days of the receipt of the grievance.

2. A grievance may be appealed to arbitration. Only the POAL may appeal to arbitration, and must notify the City within ten (10) working days after the decision of the City Manager.

3. Selection of Arbitrator. Within ten (10) working days after the request for arbitration is received by the City or at a date mutually agreed to by the parties, the parties shall meet to select an impartial arbitrator. If no agreement is reached, the parties shall immediately and jointly request a panel of five arbitrators from the State Conciliation and Mediation Service and shall alternately strike names until one name remains. The order of striking shall be determined by lot.

48.3 Discipline

A. Discipline in General. Causes for disciplinary action are specified in the Rules for Personnel Administration (RPA) and the Department’s policy manual. Disciplinary action includes but is not limited to written reprimands, demotion, suspension, or discharge of the employee. The causes cited in the RPA and policy manual are for both specific and exemplary reasons to alert employees to the
more commonplace types of disciplinary issues. However, because conditions of human conduct are unpredictable, there may arise instances of unacceptable behavior not included in the written list of causes, in which the City may find it necessary and appropriate to initiate disciplinary action.

B. Right of Appeal

1. Any employee shall have the right to appeal an EPO to the Division Commander (or Police Chief if issued by Division Commander). Any employee shall have the right to appeal a written reprimand through the chain of command up to the Police Chief or his designee. The decision of the Police Chief is final and binding and not subject to further appeal. The appeal process timeline is as specified in #2a and #2b.

2. Any employee in the POAL bargaining unit shall have the right to appeal disciplinary action above a written reprimand as follows:

   a. An employee must submit, in writing, to the Division Commander the appeal, clearly stating the basis and requested action within ten (10) working days after receiving the notice of discipline. The decision of the Division Commander will be issued within ten (10) working days of receipt of appeal.

   b. The Division Commander’s decision may be appealed to the Police Chief or his designee by filing in writing within ten (10) working days after issuance. The Police Chief will schedule a meeting with the employee and hear all evidence germane to the dispute. Thereafter, the Police Chief will decide the matter within ten (10) working days.

   c. The Police Chief’s decision may be appealed to the City Manager or his designee by filing in writing within ten (10) working days after issuance. The City Manager will respond in writing within ten (10) working days of receipt of the appeal.

   d. The City Manager’s decision may be submitted to arbitration as the final level of appeal for disciplinary action. Only the association
may appeal to arbitration and must notify the City within ten (10) working days of the date of notice from the City Manager.

C. **Conduct of Appeal Process**

1. Failure by either party to meet the established time limits will result in forfeiture by the failing party. Grievance settled by forfeiture shall not bind either party to an interpretation of this MOU, nor shall such settlements be cited by either party as evidence in the settlement of subsequent grievances.

2. The time limits specified may be extended by mutual agreement between the parties.

D. **Arbitration Process Guidelines**

To insure that the arbitration process is as brief and economical as possible, the following guidelines shall be adhered to:

a. An arbitrator may, upon mutual consent of the parties, issue a decision, opinion, or award orally upon submission of the arbitration.

b. Both parties and the arbitrator may tape record the hearing.

c. There shall be no official transcript required; however, either party may utilize a court reporter at its own sole expense. The cost of a court reporter required by an arbitrator shall be shared equally by the parties.

d. In grievance arbitration, the parties may agree to prepare a joint letter submitting the issue in dispute. The letter shall present the matter on which arbitration is sought and shall outline the MOU provisions governing the arbitration. It may contain mutually agreed on stipulations of fact and it may be accompanied by any documents that the parties mutually agree shall be submitted to the arbitrator in advance of the hearing which may not necessarily be stipulations of fact. Further, if the parties mutually agree, the entire matter may be submitted to arbitration for review without a hearing. Absent agreement to prepare a joint letter, the parties may submit separate letters.
e. The strict rules of evidence are not applicable and the hearing shall be informal.

f. The parties have the right to present and cross-examine witnesses, issue opening and closing statements, and file written closing briefs. Testimony shall be under oath or affirmation.

g. The arbitrator may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.

h. Attendance at a hearing shall be limited to those determined by the arbitrator to have a direct connection with the appeal. Witnesses normally would be present at the hearing only while testifying and should be permitted to testify only in the presence of the employee or his/her representatives and the employer's representatives.

i. The arbitration hearing will be held on the employer's premises.

j. The cost of arbitration shall be borne equally by the parties. However, the cost, if any, of cancellation or postponement shall be the financial responsibility of the party requesting such delay unless mutually agreed by the parties.

The decision, opinion, or award shall be based on the record developed by the parties before and during the hearing. The decision will be in writing and it shall contain the crucial reasons supporting the decision and award.

The arbitrator has no power to add to, subtract from, or modify the terms of the MOU or the written ordinances, resolutions, rules, regulations, and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this MOU. The arbitrator shall be without power or authority to make any decision that requires the City or management to do an act prohibited by law.

The arbitrator has no power to add to a disciplinary action.

The arbitrator's decision shall be final, binding, and precedential and the arbitrator's decision shall possess the authority to make an employee whole to the extent such remedy is not limited by law, including the authority to award back pay, reinstatement,
retroactive promotion where appropriate, and to issue an order to expunge the record of all references to a disciplinary action if appropriate.

The arbitrator shall have the authority to make all arbitrability and/or grievability determinations. The arbitrator shall make grievability and/or arbitrability determinations prior to addressing the merits of the case.

By filing a grievance or appealing a disciplinary action to arbitration, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than is provided by this grievance/arbitration procedure. The processing of a grievance to arbitration shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

**ARTICLE XLIX - LAYOFF PROCEDURE**

49.1 In the event that reductions in rank or layoffs of Police Unit personnel are necessary, the following procedure shall be followed:

a. Any reduction in rank shall be based entirely on seniority. The employee having the least classification seniority shall be reduced first and transferred to the next lower classification to which he/she previously worked.

b. If an employee is reduced in rank he/she shall not be laid off until all other employees of similar rank to which he/she was reduced have been laid off (i.e., if a Police Sergeant is reduced in rank to Police Officer, he/she must then be the last Police Officer to be laid off, regardless of the seniority of the other Police Officers).

c. All layoffs of Police personnel within the seniority span of service shall be by merit (at the discretion of the City Manager upon the recommendation of the Police Chief).

The seniority spans of service are as follows:

1) All Police Officer Trainees based on seniority; then
2) All Police Officers on probation (one-year period);
3) All personnel with less than two years seniority; then
4) All personnel with two to three years seniority; then
5) All personnel with three to six years seniority; then
6) Personnel with more than six years shall be laid off by seniority.

Before any employee of a higher seniority group is laid off, all persons in the junior group must be laid off first.

d. Reinstatement shall be in reverse order of layoff or reduction in rank (i.e., the last Police Officer to be laid off would be first Police Officer reinstated.)

**ARTICLE L - PROBATIONARY PERIOD**

50.1 During the probationary period, the probationary employee shall be entitled to sick leave benefits. Employees shall be eligible to be considered for a merit increase upon the successful completion of probation. Nothing herein shall be deemed to alter the terms or conditions of the probationary period following promotion.

**ARTICLE LI - PROMOTIONAL EXAMINATIONS**

51.1 The certification process on promotional examinations for positions represented in this bargaining unit (Police Corporal) will be as follows:

1. For one vacancy, the top five highest scoring applicants will be certified to the Police Chief for a hiring interview.

2. In the event of more than one vacancy at the same time, two additional names will be certified for each additional vacancy. For example, if there are two vacancies, seven (7) names shall be certified, three (3) vacancies, nine (9) names, etc.

3. It is understood and agreed that the Police Chief has the sole right to select any of the certified applicants in compliance with the Rules for Personnel Administration and applicable law.

**ARTICLE LII – PERSONNEL FILES**
52.1 Employees shall be provided a copy of all performance related memoranda (including performance evaluations) placed in their official personnel file which is retained in the Human Resources Department, and their "Administrative File" which is retained in the Police Department. Personnel files shall be kept in a secured location. Items that are to be removed shall be returned to the employee for disposition.

Affected employees shall be provided a copy of adverse comments placed in their official personnel file and shall have access to adverse comments placed in their administrative file maintained by the Police Department. No employee shall have any adverse comments placed in his/her file without first reading and signing indicating awareness of such adverse comments. Should an employee refuse to sign, the adverse comments will nevertheless be placed in his/her file. An employee shall have thirty (30) days within which to file a written response to any adverse comments entered into his/her-the-official personnel file. Such written response shall be attached to and shall accompany the adverse comments. Upon written request of the employee, adverse comments in the personnel file and administrative file shall be removed in accordance with the timelines prescribed. Adverse comments pertaining to attendance problems may be used to support discipline only if the discipline was primarily imposed for an incident involving attendance problems. References to Letter of Discussion and Oral Counseling shall be articulated on a separate piece of paper for each event.

An employee shall be permitted at any time during regular office hours to inspect his/her personnel or administrative files provided notice is given to the custodian department which is sufficient to allow it up to three (3) of its working days to make the files available. He/she may also authorize, in writing, the Association representative to also inspect his/her personnel file provided the same advance notice is given. Such reviews shall be made in the Human Resources Department or Police Department subject to the presence of a member of the Human Resources Department or Police Department staff or its designee.

Any matters not in the official personnel file or referred to in the official personnel file shall not be used as the basis of discipline. Material in personnel files shall be regarded as confidential and disclosed only in accordance with provisions of this MOU and applicable law.
Material contained in the Internal Affairs Division files, administrative file and the employee's personnel file shall be removed and destroyed after five (5) years from placement in the files, unless litigation relating to such material is pending. In such case, the potentially relevant material shall be retained in the files until the matter has been fully and finally adjudicated or until at least five (5) years have passed since the material was placed in the file, whichever occurs later.

The contents of the Internal Affairs File shall be purged and destroyed in accordance with applicable law.

All documented disciplinary actions shall be removed from the employee's official personnel file and "Administrative File" in accordance with table to follow.

This Section shall always be in compliance with the Public Safety Officers Procedural Bill of Rights Act, as set forth in Government Code Sections 3300-3312, and all provisions of law. Civilian employees shall not be granted any additional rights under the Public Safety Officer's Procedural Bill of Rights Act beyond those stated in this Section.

### 52.2 Document Retention

The following table reflects the time period each documented discipline shall be retained in the employee’s personnel files:

<table>
<thead>
<tr>
<th>Level of Discipline</th>
<th>Considered for Promotion and Utilized in Progressive Discipline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter of Discussion</td>
<td>2 Years from Date of Discipline</td>
</tr>
<tr>
<td>Oral Counseling</td>
<td>2 Years from Date of Discipline</td>
</tr>
<tr>
<td>Written Reprimand</td>
<td>2 Years from Date of Discipline</td>
</tr>
<tr>
<td>Pay Step Reduction</td>
<td>3 Years from Date of Discipline</td>
</tr>
<tr>
<td>Suspension Without Pay</td>
<td>3 Years from Date of Discipline</td>
</tr>
<tr>
<td>Demotion</td>
<td>5 Years from Date of Discipline</td>
</tr>
</tbody>
</table>

52.3 The City shall not maintain any file that the employee does not have access to, nor shall any file be kept beyond the above timeframes except in instances where the material is subject to pending litigation.

52.4 Should the City request to meet and confer over changes to this section, the POAL agrees to engage in discussions.
ARTICLE LIII - SEVERABILITY

53.1 In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

ARTICLE LIVII - TERM

54.1 The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and POAL agree that the term is January 1, 2018 through June 30, 2022.

54.2 The POAL and City mutually agree to commence negotiations for a new contract no later than three (3) months prior to the expiration of this MOU.
CITY OF LODI AND POLICE OFFICERS’ ASSOCIATION OF LODI – MOU

POLICE OFFICERS’ ASSOCIATION OF LODI

________________________________________
Ryan LaRue, President
Date____________________
Negotiator

________________________________________
Dominic Carillo, Vice President
Date____________________
Negotiator

MASTAGNI HOLSTEDT ET AL

________________________________________
Jerry Camous, Labor Relations Consultant
Date____________________

CITY OF LODI

________________________________________
Stephen Schwabauer, City Manager
Date____________________

________________________________________
Andrew Keys, Deputy City Manager
Date____________________
Negotiator

________________________________________
Adele Post, Human Resources Manager
Date____________________

APPROVED AS TO FORM:

________________________________________
Janice D. Magdich, City Attorney
Date____________________

ATTEST:

________________________________________
Jennifer M. Ferraiolo, City Clerk

____________________________

Page 44
## Annual Salary Effective January 1, 2017 - July 15, 2019 (4.3%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer Trainee</td>
<td>63,172.53</td>
<td>66,331.11</td>
<td>69,647.73</td>
<td>73,130.13</td>
<td>76,786.60</td>
</tr>
<tr>
<td>Police Officer</td>
<td>73,153.77</td>
<td>76,811.47</td>
<td>80,652.07</td>
<td>84,684.73</td>
<td>88,918.92</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>77,542.96</td>
<td>81,420.16</td>
<td>85,491.23</td>
<td>89,765.76</td>
<td>94,254.00</td>
</tr>
</tbody>
</table>

## Annual Salary Effective November 4, 2019 (6.0%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer</td>
<td>77,543.00</td>
<td>81,420.16</td>
<td>85,491.19</td>
<td>89,765.81</td>
<td>94,254.06</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>82,195.54</td>
<td>86,305.39</td>
<td>90,620.70</td>
<td>95,151.71</td>
<td>99,909.24</td>
</tr>
</tbody>
</table>

## Annual Salary Effective First Full Pay Period in January 2020 (3%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer Trainee</td>
<td>65,067.71</td>
<td>68,321.04</td>
<td>71,737.16</td>
<td>75,324.03</td>
<td>79,090.20</td>
</tr>
<tr>
<td>Police Officer</td>
<td>79,869.29</td>
<td>83,862.76</td>
<td>88,055.93</td>
<td>92,458.78</td>
<td>97,081.68</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>84,661.41</td>
<td>88,894.55</td>
<td>93,339.32</td>
<td>98,006.26</td>
<td>102,906.52</td>
</tr>
</tbody>
</table>

## Annual Salary Effective First Full Pay Period July 2020 (3%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer Trainee</td>
<td>67,019.74</td>
<td>70,370.67</td>
<td>73,899.27</td>
<td>77,583.75</td>
<td>81,462.91</td>
</tr>
<tr>
<td>Police Officer</td>
<td>82,265.37</td>
<td>86,378.64</td>
<td>90,697.61</td>
<td>95,232.54</td>
<td>99,994.13</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>87,201.25</td>
<td>91,561.39</td>
<td>96,139.50</td>
<td>100,946.45</td>
<td>105,993.72</td>
</tr>
</tbody>
</table>

## Annual Salary Effective First Full Pay Period July 2021 (3%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer Trainee</td>
<td>69,030.33</td>
<td>72,481.79</td>
<td>76,105.95</td>
<td>79,911.26</td>
<td>83,906.80</td>
</tr>
<tr>
<td>Police Officer</td>
<td>84,733.33</td>
<td>88,970.00</td>
<td>93,418.54</td>
<td>98,089.52</td>
<td>102,993.95</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>89,817.29</td>
<td>94,308.23</td>
<td>99,023.69</td>
<td>103,974.84</td>
<td>109,173.53</td>
</tr>
</tbody>
</table>
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
THE MEMORANDUM OF UNDERSTANDING WITH THE
POLICE OFFICERS ASSOCIATION OF LODI EFFECTIVE
JULY 1, 2019 THROUGH JUNE 30, 2022

WHEREAS, representatives from the City and the Police Officers Association of Lodi (POA) have bargained in good faith and reached a tentative agreement on a successor Memorandum of Understanding (MOU); and

WHEREAS, it is recommended that Council approve revisions to the MOU with POA to include the following:

- Term: July 1, 2019 to June 30, 2022;
- Nineteen and three tenths percent (19.3%) salary adjustment over the term of the contract as follows:
  - Four point three percent (4.3%) July 15, 2019.
  - Six percent (6.0%) effective November 4, 2019.
  - Three percent (3.0%) effective the first full pay period in January 2020.
  - Three percent (3.0%) effective the first full pay period in July 2020.
  - Three percent (3%) effective the first full pay period July 2021.
- Six percent (6%) cost sharing participation in the City’s Normal Cost contribution to CalPERS for both Classic and PEPRA members. This is in addition to cost sharing negotiated during the previous contract.
- Providing education incentives for probationary new hires to enhance the City’s ability to recruit top officers.
- Longevity pay of $1,500 annually for ten (10) years of service and $3,000 for twenty (20) years of service for employees hired July 10, 2012 and thereafter.
- Elimination of $950 of uniform allowance for all employees. Employees will still be responsible for purchasing their own uniforms.
- Extension of survivor benefits for members killed in the line of duty to include medical coverage for surviving children until the children are no longer to be covered as dependents on the plan under current law.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the attached MOU (Exhibit A) between City of Lodi and POA, effective July 1, 2019 through June 30, 2022.

Date: July 17, 2019

I hereby certify that Resolution No. 2019-__ was passed and adopted by the Lodi City Council in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk

2019-____
MEMORANDUM OF UNDERSTANDING

CITY OF LODI

AND

POLICE OFFICERS ASSOCIATION OF LODI

JULY 1, 2019 – JUNE 30, 2022
Table of Contents

Chapter 1 - Compensation & Working Conditions ........................................4
  Article I - Salary .........................................................................................4
  Article II - Hours of Work ..........................................................................4
  Article III - Overtime ..................................................................................6
  Article IV - Rest and Meal Period .................................................................8
  Article V - Compensatory Time ..................................................................9
  Article VI - Above Class Pay ......................................................................9
  Article VII - Education Incentive .................................................................10
  Article VIII - Bilingual Officers .................................................................10
  Article IX - Arson / Explosive Ordinance Incentive ....................................10
  Article X - Motor Officers ..........................................................................10
  Article XI - Canine Duty ............................................................................11
  Article XII - Police Corporals ....................................................................12
  Article XIII - Master Officer ......................................................................12
  Article XIV - Special Assignment Pay .........................................................12
  Article XV - Call Back ..............................................................................13
  Article XVI - Court time ...........................................................................13
  Article XVII - Additional compensation/Longevity pay ..............................14
  Article XVIII - Uniform Allowance .............................................................14
  Article XIX - Reserved .............................................................................15

Chapter 2 - Leaves ......................................................................................15
  Article XX - Catastrophic Leave .................................................................15
  Article XXI - Family Medical Leave ...........................................................15
  Article XXII - Bereavement Leave ...............................................................15
  Article XXIII - Holidays ..........................................................................16
  Article XXIV - Leaves of Absence ...............................................................16
  Article XXV - Sick Leave .........................................................................16
  Article XXVI - Vacation Leave .................................................................17
  Article XXVII - Miscellaneous Leave .......................................................18

Chapter 3 - Insurance Benefits & Retirement ...........................................18
  Article XXVIII - Cafeteria Plan .................................................................18
  Article XXIX - Chiropractic Insurance ......................................................19
  Article XXX - Dental Insurance .................................................................19
  Article XXXI - Flexible Spending Account ................................................19
Article XXXII - Vision Insurance........................................................................................................19
Article XXXIII - Medical Insurance..................................................................................................19
Article XXXIV - Reserved ..................................................................................................................21
Article XXXV - Deferred Compensation ..........................................................................................21
Article XXXVI - Life Insurance .........................................................................................................21
Article XXXVII - Public Employees’ Retirement System .....................................................................21
Article XXXVIII - Sick Leave Conversion Program ............................................................................24
Article XXXIX - Survivors Benefits ..................................................................................................25
Article XL - Tuition Reimbursement ...............................................................................................26

Chapter 4 - Association/City Issues.................................................................................................26
Article XLI - Association Time .........................................................................................................26
Article XLII - Beneficial Pay Practice ...............................................................................................27
Article XLIII - Changes in the Memorandum of Understanding .........................................................27
Article XLIV - City Rights ..................................................................................................................27
Article XLV - Concerted Activities ....................................................................................................28
Article XLVI - Employee Representation .........................................................................................28
Article XLVII - Employee Rights .....................................................................................................30
Article XLVIII - Grievance Procedure ...............................................................................................31
Article XLIX - Layoff Procedure .......................................................................................................37
Article L - Probationary Period ..........................................................................................................38
Article LI - Promotional Examinations ...............................................................................................38
Article LII – Personnel Files .............................................................................................................38
Article LIII - Severability ...................................................................................................................40
Article LIV – Term .............................................................................................................................40

EXHIBIT A.............................................................................................................................................42
Annual Salary Effective July 15, 2019 (4.3%) ....................................................................................42
Annual Salary Effective November 4, 2019 (6.0%) .............................................................................42
Annual Salary Effective First Full Pay Period in January 2020 (3.0%) ..............................................42
Annual Salary Effective First Full Pay Period July 2020 (3.0%) .......................................................42
Annual Salary Effective First Full Pay Period July 2021 (3.0%) .......................................................42
CITY OF LODI
AND
POLICE OFFICERS’ ASSOCIATION OF LODI
JULY 1, 2019 – JUNE 30, 2022

CHAPTER 1 - COMPENSATION & WORKING CONDITIONS

ARTICLE I - SALARY

1.1 The Salary Schedule for members of the POAL will be as set forth in Exhibit A.

1.2 Effective July 15, 2019, the City shall increase the salary ranges by four point three percent (4.3%). Effective with the first full pay period of November 2019, the City shall increase the salary ranges by six percent (6.0%). Effective the first full pay period in January 2020, the City shall increase the salary ranges by three percent (3.0%). Effective with the first full pay period in July 2020 and July 2021, the City shall increase the salary ranges by three percent (3.0%).

1.3 Although the City is not required to perform a survey during the term of this MOU, the parties agree that if a survey is performed, the fifteen cities to be surveyed shall be: Chico, Clovis, Davis, Fairfield, Merced, Manteca, Modesto, Redding, Roseville, Stockton, Tracy, Turlock, Vacaville, Visalia and Woodland.

ARTICLE II - HOURS OF WORK

2.1 Patrol Officers, Motor Officers, and Officers assigned to Investigations shall work a 4/10 plan. School Resource Officers shall work a 9/80 plan; however, the City and the POAL both mutually agree that School Resource Officers may be temporarily assigned to 4/10 schedule during the extended school breaks, between school calendar years, or at the needs of the Department.

2.2 The work period for POAL employees will consist of 7 consecutive days. This work period shall be from Monday through Sunday.

2.3 It is mutually agreed that the City has the sole right to assign personnel, to establish hours of work and work schedules, to make changes to those schedules, to schedule employees
off on compensatory time, and to schedule holidays and vacations, all depending on the "needs of the service". Temporary changes to an employee’s schedule must be noticed at least 48 hours’ in advance of the change.

2.4 The City and the POAL mutually agree that split shifts are very stressful and may cause health problems. Consequently, officers shall not work split shifts except during cases of an emergency nature. Specifically and for training purposes only, this provision does not apply to the Canine Officer assigned to Graveyard with Thursdays and Fridays off in order to better facilitate training.

2.5 All employees in the classification of Police Officer Trainee, Police Officer, and Police Corporal, shall select annually, beginning in January, for at least a one year period, their preferred days off sequence, holidays, and vacation time off on the basis of their seniority and the “needs of service” of the department.

Employees assigned to patrol shall be allowed to pick their days off sequence, shift, beat, holidays, and vacation time off based on their departmental seniority. Police Corporals shall be allowed to pick their days off sequence and shift based on their seniority within the rank of Corporal. The selections for beat, holidays, and vacation time off shall be based on their departmental seniority. Departmental seniority shall be defined as the total time in service as a member of the POAL bargaining unit. Should a member of the POAL leave membership for any reason and return to membership within 12 months, seniority shall be calculated as if the member never left the bargaining unit.

K-9 officers assigned to patrol shall pick their days off sequence and shift based on the needs of service for the department. The selections for beat, holidays and vacation time off will be based on their departmental seniority.

Employees assigned to a special assignment which includes Investigations, Traffic, Bicycle Patrol, and School Resource shall pick their days off sequence, vehicle assignment, holidays and vacation time off based on their seniority within their respective unit.

Nothing in this section prevents the department from assigning personnel based on the needs of service for the department as determined in the sole discretion of the Police Chief.
ARTICLE III - OVERTIME

3.1 Overtime work may be required of any employee in order to meet special or unusual needs of service beneficial to the City and community. All overtime work requires the prior approval of a supervisor. Overtime is defined as the number of hours worked in excess of the normal weekly schedule of work hours illustrated below:

<table>
<thead>
<tr>
<th>Work Schedule</th>
<th>Overtime</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 hours per day, 4 days per week</td>
<td>over ten hours in a day</td>
</tr>
<tr>
<td>9 hours per day, 9 days per period</td>
<td>over nine hours in a day</td>
</tr>
</tbody>
</table>

On the 9/80 work schedule there is one day employees’ work an eight (8) hour day. For purposes of overtime eligibility, hours worked in excess of eight (8) hours on this day shall be considered overtime.

3.2 Overtime hours shall be reported and paid at the rate of one and a half times regular pay, or any greater amount as required by law, in quarter hour increments with less than 7.5 minutes rounded down to the next quarter hour increment and over 7.5 minutes rounded up to the next quarter hour increment.

3.3 In scheduling overtime, the Department shall utilize the following Overtime Call-Out Procedure.

Emergency Overtime Call-Out Procedure
In the case of an emergency requiring immediate response of personnel, any employees summoned through personal contact, a message, or a page to work, shall do so promptly.

If a reasonable excuse exists that precludes the employee's response, he/she shall advise the supervisor requesting a response. It shall remain the discretion of the supervisor whether or not to require an employee to work Emergency Overtime.

Short Notice Overtime
Any supervisor, upon realizing the need for personnel with less than 24 hours’ notice, may initiate this procedure. The supervisor will first seek to utilize on duty employees for "hold over" or next shift employees for an "early in." In the event that the use of on duty or early in employees would necessitate these employees to work excessively long shifts,
the supervisor shall attempt telephone contact with other available employees as set forth below, then utilize on duty employees in another assignment who are capable of performing the work.

**Call-Out Procedure**
Should an overtime assignment remain vacant following the use of the Short Notice Overtime procedure, the supervisor shall begin a call-out of the least senior employee who has had at least one (1) day (twenty-four (24) consecutive hours) off in the last seven (7) days.

Seniority for Short Notice Overtime will not apply and will be “First Come, First Served”. Bypassing of the seniority procedure only applies to Short Notice Overtime.

**Scheduled Overtime Sign-Up Lists**
The supervisor responsible for scheduling shall post a sign-up for scheduled overtime. Generally, the overtime assigned by this procedure is for foreseeable overtime; i.e., training, vacations, injuries, vacancies, special assignments, etc.

The list will remain posted for five (5) days. Employees may sign up for overtime beginning with the most senior employee. Overtime will be posted in minimum increments of half shifts, i.e., four (4) hours, five (5) hours, or six (6) hours.

Should all overtime assignments not be filled through the Scheduled Overtime Sign-Up List, the scheduling supervisor shall assign the least senior qualified employee available, whether or not that employee is on the Scheduled Overtime Sign-Up List, provided that the employee is assured at least one (1) day (twenty-four (24) consecutive hours) off in each seven (7) day period.

**Change of Scheduled Overtime Procedure**
If the City or POAL proposes a different procedure for handling scheduled overtime during the term of the MOU, the City agrees to meet and confer with the POAL on the proposal. The parties must mutually agree on the change.

**Maximum Hours**
The following limitations of Short Notice and Scheduled Overtime are prescribed:
No employee shall be scheduled to work more than fourteen and one-half (14.5) consecutive regular hours in one day, except in emergency or extraordinary circumstances.

No employee shall be scheduled to return to work without eight (8) hours between assignments.

An employee shall not be assigned to work overtime "out-of-class" without permission from the Police Chief or designee.

The Police Chief or designee may exclude any individual from an overtime assignment if in his/her estimation the individual does not possess the skills or abilities to achieve the desired objective of the assignment.

**ARTICLE IV – REST AND MEAL PERIOD**

4.1 The intent of the rest period is to ensure that the officer is adequately rested for his/her assigned work shift.

a. Officers will receive a **continuous eight hour** rest period immediately preceding or immediately following their scheduled court appearance or other departmental assignment(s), if less than eight hours has elapsed during:

1) the time period that officer’s regular work shift ends and his/her scheduled appearance/assignment time; or

2) the time period that officer is dismissed and his/her regular work shift begins.

This rest period will not be charged to the officer.

b. If an officer receives approval to take the remaining portion of his or her scheduled shift off, the officer’s leave balances will be charged for the entire shift (as if no rest period has occurred).

c. The rest period does not apply when an officer is scheduled for court or appearance/assignment the day immediately following a day off.
4.2 If an officer is called to duty or remains on duty for any reason within that rest period or into his/her normal shift, he/she shall be compensated at 150% of his/her normal rate of pay.

4.3 Officers assigned to work a 4/10 or 9/80 schedule will receive a one (1) hour paid meal period when operationally feasible. Officers may elect to utilize the one (1) hour paid meal break to work out in the gym on the second floor of the Police Department. Officers who choose to work out in the department gym must follow the guidelines as set forth in the Department’s Lexipol meal break policy.

**ARTICLE V - COMPENSATORY TIME**

5.1 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour of overtime worked.

5.2 No more than 240 hours of compensatory time may be carried on the books at any time.

5.3 An employee’s decision to elect compensatory time instead of overtime pay is irrevocable.

5.4 Upon separation, the employee will be paid at the employee’s current hourly rate or the average of the last three years, whichever is higher, for the remaining compensatory balance.

5.5 Bargaining unit members shall be allowed to cash out up to a maximum of 100 hours of earned compensatory time off twice per year, in April and October.

**ARTICLE VI - ABOVE CLASS PAY**

6.1 All employees in this bargaining unit who are required to work in a higher classification shall be paid an additional 5% of the employee's normal salary including any allowance or education incentive pay currently enjoyed by the employee if the position is vacant for more than 10 consecutive calendar days because of vacancy, illness, or industrial or non-industrial accident.
ARTICLE VII - EDUCATION INCENTIVE

7.1 Education incentive pay shall be as follows:

- Bachelor’s Degree $200.00 per month
- Basic POST Certificate $50.00 per month
- Intermediate POST Certificate $150.00 per month
- Advanced POST Certificate $300.00 per month

The POST Incentives set forth in this clause are paid at the highest level certificate held (i.e. they are not stackable).

ARTICLE VIII - BILINGUAL OFFICERS

8.1 Employees designated by the Police Chief and approved by the City Manager who have passed a bilingual proficiency examination administered by the City shall receive a monthly bilingual allowance of $150.00. Officers shall not be eligible for the bilingual allowance while attending a POST Basic Academy.

ARTICLE IX - ARSON / EXPLOSIVE ORDINANCE INCENTIVE

9.1 Officers performing the Arson / Explosive Ordinance function shall be paid an incentive of an additional 4.5% of the employee's base salary.

ARTICLE X - MOTOR OFFICERS

10.1 Officers assigned to the Motors Unit shall be paid an incentive of 4.5% of the employee’s base salary. It is mutually agreed this incentive fully compensates the officer for the time taken for regular pre-shift preparation, washing, minor maintenance, transportation of the vehicle to repair facilities within the City of Lodi, and any permitted transportation of the motorcycle to and from home. It is also mutually agreed that assignments to the Motor Unit are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an
opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

**ARTICLE XI - CANINE DUTY**

11.1 The pay provisions for canine duty shall be regulated only by the following:

a. The City and POAL estimate that the time canine officers spend in all aspects of the care, feeding, exercise, transport to/from work, and maintenance of their canines, on a weekly basis, is seven (7) hours, payable at the federal minimum wage overtime rate. They agree that any time spent in excess of such time is not reasonably necessary and is accordingly not authorized. The full compensation due officers for the performance of their canine responsibilities, on a bi-weekly basis, is $152.25. In the event of a change in federal minimum wage, the parties agree to re-open this section to adjust full compensation for these duties such that full compensation for these duties will equal at least 4.5% of base pay. Both parties believe that this agreement complies with the requirements of the Fair Labor Standards Act. For purposes of calculating overtime for work performed by police officers in their capacity as police officers, the reference above shall be part of the base salary rate.

11.2 It is mutually agreed that assignments to the Canine program are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

11.3 Officers assigned to the Canine program shall continue in this assignment for a period of not more than five years and shall be compensated at the officer's regular rate of pay including appropriate incentive pay(s). Upon completion of the fifth year, the officer's performance shall be evaluated, along with any other submitted applications of interest for the position of Canine, for the purpose of filling the position in the program. If no other applications of interest have been submitted for the position in the Canine program, the officer holding the position may be extended for a period of two more years
whereupon another evaluation period, previously mentioned, shall commence. (The City reserves the right to conduct annual evaluations on Canine Officers.)

**ARTICLE XII - POLICE CORPORALS**

12.1 Corporals shall wear the insignia (two stripes) currently in use for the Field Training Officer and they shall receive an allowance equal to 6.0% of their normal base pay. It is mutually agreed that part of the Corporal duties are those of supervision in the absence of the Sergeant. It is also mutually agreed that Corporals shall not accept, investigate, or in any form, handle any matter of discipline.

**ARTICLE XIII - MASTER OFFICER**

13.1 POAL members who have completed 8 years of sworn service (minimum of one year of service with the City of Lodi for Laterals), who possess their Advanced POST certificate, and who have successfully passed a written examination administered by the Human Resources Division shall be paid an incentive of 3% of the employee’s base salary and be designated as a Master Officer. Written examinations shall be administered in April and October each year, contingent on having qualified employees to take the examination.

13.2 Master Officers may be considered for Field Training Officer (FTO); however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid an incentive of 3% of the employee’s base salary when assigned as an FTO. Corporals will not be eligible for this additional 3% FTO incentive.

13.3 Master Officers may be considered for Field Supervisor; however, the selection shall be at the sole discretion of the Police Chief. Master Officers shall be paid an incentive of 3% of the employee’s base salary when assigned as a Field Supervisor. Corporals will not be eligible for this additional 3% Field Supervisor incentive.

**ARTICLE XIV - SPECIAL ASSIGNMENT PAY**

14.1 Officers assigned to Investigations and SWAT shall receive an allowance equal to 4.5% of their normal base pay. It is mutually agreed that assignments to Investigations and SWAT are at the sole discretion of the City. No officer has any property rights to such assignments. Officers in such positions acknowledge, as does the POAL, that officers
may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment. Nonetheless an officer shall not be punitively removed from a specialty assignment without being granted an opportunity for an administrative appeal. However, the provision of an appeal shall not create a property interest in the assignment.

**ARTICLE XV - CALL BACK**

15.1 Officers called to appear for work within two hours of the beginning of a shift, or one hour after the shift, shall receive overtime at the rate of time and one-half. Such appearances shall be reported as contiguous shift extensions. If the appearance begins more than two hours before or more than one hour after the scheduled shift, the employee will be credited a minimum of three hours at the time and one-half rate.

When an officer is ordered back to work on an "as soon as possible" basis and reports within thirty minutes, the officer shall be compensated from the time of the call.

**ARTICLE XVI - COURT TIME**

16.1 Police Officers scheduled to make court appearances during off-duty hours, on scheduled days off, or when on graveyard shift, shall be compensated at the rate of time and one-half for actual hours involved in such appearances. In no event shall they be paid for less than four hours.

16.2 Court appearances which are within two hours of the beginning of a shift or within one hour of the end of the shift shall be compensated at the time and one-half rate. Such appearances shall be reported as contiguous shift extensions.

16.3 Cancellation of scheduled appearance must be made at least two hours before said scheduled appearance or the minimum four hours shall be paid.

16.4 Officers who receive a subpoena to appear in court, shall notify the Watch Commander of the appearance date and time in order to provide the Watch Commander time to review the schedule to determine if rest period time is required, or additional staff will be needed.
ARTICLE XVII - ADDITIONAL COMPENSATION/LONGEVELTY PAY

17.1 After completing ten years of service with the Lodi Police Department, employees shall receive an annual longevity compensation amount of $1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Police Department. Employees who have completed twenty years of service with the Lodi Police Department will receive an annual longevity compensation amount of $3,000 on November of the year following completion of twenty full years of service and each year thereafter.

17.2 For the purposes of this article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Police Department) shall receive the longevity compensation associated with their years of service with the Lodi Police Department.

ARTICLE XVIII - UNIFORM ALLOWANCE

18.1 The uniform allowance shall be $950 annually paid bi-weekly in the employee’s normal payroll check.

18.2 The City agrees to pay a sum of $1,200 to offset the initial uniform and equipment costs required for a Motor Officer and to pay an additional $800 annual uniform allowance for those officers assigned to Motors, paid bi-weekly in the employee’s normal payroll check.

18.3 If a Motor Officer fails to complete an 18-month assignment he/she agrees to reimburse the City on a prorated basis for each month not completed. If he/she is relieved for lack of performance before the minimum 18 months, he/she shall also reimburse the City on the same prorated basis. If he/she completes the 18-month assignment the equipment becomes the officer's sole possession.

18.4 Effective July 15, 2019, the uniform allowance provided in Section 18.1 is eliminated.

18.5 The City agrees to provide each officer a set of "Threat Level 3-A" body armor. When an employee is on patrol he/she agrees to wear his/her body armor.
a. In that the City and POAL agree that officer safety is paramount, the City agrees to replace all ballistic vests prior to the end of the fifth year from the date of manufacture.

b. The City agrees to furnish each officer an SL-20 flashlight by Streamlight. The City agrees to exchange the flashlight battery and flashlight bulb upon request, but no more often than once in any twelve-month period.

18.6 Uniforms and safety equipment damaged in the line of duty shall be replaced or repaired by the City.

18.7 The City and POAL will continue to work together on the concept of a Quarter Master uniform program and if mutually agreeable the program may be implemented through a side-letter agreement or contract amendment.

**ARTICLE XIX - RESERVED**

**CHAPTER 2 - LEAVES**

**ARTICLE XX - CATASTROPHIC LEAVE**

20.1 Catastrophic Leave is available to employees in accordance with the City’s current Catastrophic Leave of policy.

**ARTICLE XXI - FAMILY MEDICAL LEAVE**

21.1 Family Medical Leave is available to employees in accordance with the City’s current Family Medical Leave policy.

**ARTICLE XXII - BEREAVEMENT LEAVE**

22.1 Bereavement Leave is available to employees in accordance with the City’s current Bereavement Leave policy.
**ARTICLE XXIII - HOLIDAYS**

23.1 Effective January 1 of each year, each represented member of the POAL shall receive 135 hours of holiday leave which may be taken on any day of the week depending on the needs of the Department as determined by the Chief or designee. Holiday Leave may be taken in hourly increments.

23.2 Police Officers assigned to patrol shall pick holidays by seniority, in one-shift increments, depending on the needs of the service. There shall be no fixed holidays during the year with the exception that the current practice of Thanksgiving, Christmas, and New Year's holidays be fixed (i.e. - the actual date on which the holiday falls is recognized and therefore taken) for officers assigned to Motors shall be continued.

Employees hired or separating from service mid-year shall be credited with holiday leave on a prorated basis with the exception that the three holidays fixed for Motor Officers shall not be prorated.

23.3 Bargaining unit members shall be allowed to cash out holiday time in April and October. If holiday time is not used by the end of the calendar year, it will be cashed out to the employee. Holiday time cashed out shall be paid at the employee’s regular rate of pay.

**ARTICLE XXIV - LEAVES OF ABSENCE**

24.1 Leaves of Absence are available to employees in accordance with the City’s current Leave of Absence policy.

**ARTICLE XXV - SICK LEAVE**

25.1 The objective of this section is to provide methods of furthering the health and general welfare of City employees, as well as ensuring maximum and reasonable job attendance. Sick leave should not be viewed as a right to be used at the employee’s discretion, rather it is a benefit of paid time away from the work duties in the event of one of the following circumstances:

a. Actual illness or injury of the employee.
b. Medical or dental appointments of employee, or employee’s immediate family members, when such appointments cannot be arranged during off-duty hours, and when the employee’s family member is incapable of independently attending such appointments.

c. Where the employee’s medical attention to an immediate family member is required.

d. Emergency leave to the death or imminent death of family members.

25.2 Effective the pay period beginning October 25, 2004, all employees shall accumulate sick leave at the rate of 5.54 hours per pay period (144 hours per year).

25.3 Sick leave may be accumulated to an unlimited amount.

**ARTICLE XXVI - VACATION LEAVE**

26.1 Vacation accruals shall be as follows:

<table>
<thead>
<tr>
<th>Years</th>
<th>Accruals</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-5</td>
<td>3.08 hours per pay period</td>
</tr>
<tr>
<td>6-11</td>
<td>4.62 hours per pay period</td>
</tr>
<tr>
<td>12-14</td>
<td>5.24 hours per pay period</td>
</tr>
<tr>
<td>15-20</td>
<td>6.16 hours per pay period</td>
</tr>
<tr>
<td>21</td>
<td>6.47 hours per pay period</td>
</tr>
<tr>
<td>22</td>
<td>6.78 hours per pay period</td>
</tr>
<tr>
<td>23</td>
<td>7.09 hours per pay period</td>
</tr>
<tr>
<td>24</td>
<td>7.40 hours per pay period</td>
</tr>
<tr>
<td>25</td>
<td>7.71 hours per pay period</td>
</tr>
</tbody>
</table>

26.2 During the first continuous 12 months of employment, vacation days shall be earned but may not be taken. An employee who terminates employment for any reason during the first 12 months of employment shall be entitled to cash out of accrued and unused vacation leave.

26.3 At the completion of 12 continuous months of employment, the employee is eligible to take his/her accrued vacation leave in accordance with department policy.
26.4 The maximum amount of unused vacation hours that an employee may accrue, at any given time is twice the employee’s annual vacation entitlement. Whenever an employee’s unused, accrued vacation has reached this maximum accrual amount, the employee shall stop accruing any additional vacation. Accrual will automatically resume once the employee uses some vacation and the accrual balance falls below the maximum accrual amount.

Under extenuating circumstances, requests to accrue vacation leave over the maximum may be authorized by the City Manager. For all other issues regarding Vacation Leave refer to the City’s Policy on Vacation Leave.

26.5 All persons hired after October 10, 1994, shall only accrue a maximum of 6.16 hours of vacation per pay period.

26.6 Employees shall be eligible to annually cash out all accrued vacation hours in excess of 80 hours in October of the calendar year. The cash out payment will include the employee’s incentive pay(s) in the calculation.

**ARTICLE XXVII - MISCELLANEOUS LEAVE**

27.1 Upon adoption of this MOU, the City agrees to create a special leave bank of eighty (80) hours of non-cashable leave. All leave must be used by December 31, 2019 or it will be forfeited. These leave hours are separate from all other leave hours and shall not affect any maximum accrual hours of any other leave banks. The provisions in this paragraph sunset on December 31, 2019.

**CHAPTER 3 - INSURANCE BENEFITS & RETIREMENT**

**ARTICLE XXVIII - CAFETERIA PLAN**

28.1 The City intends to propose a cafeteria based benefit program that would incorporate but not be limited to Medical, Dental, Visions, Chiropractic and Life Insurance. The above terms of this Agreement will be reopened for negotiation upon the City’s presentation of a draft plan. The City will form a committee, comprised of one member from each
Bargaining Unit, along with City staff to discuss the contents of said cafeteria plan. The City’s proposed cafeteria plan will offer substantially the same or better benefits to those currently received by unit members.

**ARTICLE XXIX - CHIROPRACTIC INSURANCE**

29.1 Chiropractic services may be received by employees and dependents. This benefit allows up to a maximum of 40 visits per calendar year. Co-payments for services are $10.00.

**ARTICLE XXX - DENTAL INSURANCE**

30.1 The City agrees to provide a dental plan equivalent to the Stanislaus Foundation for Medical Care dental plan (group number 5110) to all employees and their eligible dependents. The City reserves the right to select any dental administrator.

30.2 The City shall pay the full cost of the dental premium for the employee and one-half the premium for eligible dependents for the term of this agreement.

**ARTICLE XXXI - FLEXIBLE SPENDING ACCOUNT**

31.1 Members of this unit are eligible to participate in the City’s Flexible Spending Account Program which allows employees to pay for unreimbursed medical costs, insurance premiums, and child care costs to be paid with pre-taxed dollars. Effective in plan year 2018, the Medical Flexible Spending Account (FSA) will include a carryover provision which allows an active participant to automatically carryover up to $500 to the new plan year. However, amounts over $500 would be forfeited after the final filing date, as set by the program, if left unclaimed.

**ARTICLE XXXII - VISION INSURANCE**

32.1 The City agrees to provide, at its expense, a Vision Care Plan equivalent to the VSP Plan B with a $25.00 deductible for employee and eligible dependents. The entire premium shall be paid by the City. The City reserves the right to select any vision carrier.

**ARTICLE XXXIII - MEDICAL INSURANCE**
33.1 The City shall offer medical insurance equivalent to the CalPERS Health Program. If no equal alternative is readily available, the City and the POAL will meet to negotiate alternatives promptly. To the extent the provider discontinues or changes the medical plan coverage, these changes are not the responsibility of the City. The City shall however, make every effort to retain the medical plan as agreed to by the POAL and City.

33.2 All employees are offered medical insurance for themselves and eligible dependents through CalPERS medical plans.

If an employee waives medical insurance through the City, the employee may at their option take the following in cash or deposited into their deferred compensation account:

- $692.81 per month for Family
- $532.92 per month for Employee + 1
- $305.22 per month for Employee Only

In order to qualify for this provision, proof of group insurance must be provided to the City.

Effective January 1, 2018, City will pay a maximum of the following for each family category:

- $1,794.51 per month for Family
- $1,380.39 per month for Employee + 1
- $690.20 per month for Employee Only

If employee selects a higher cost plan, employee will pay the difference as a payroll deduction.

POAL shall allow a number equal to half of their membership of City employees to become associate members of POAL solely to allow access to health plans not otherwise available to non-public safety members. Associate memberships shall be allotted on a first-come, first-served basis.

33.3 Employees shall be eligible for medical insurance the first day of the month following the date the employee becomes a full-time probationary employee of the City.
33.4 Employees who retire on a service retirement shall have the option of purchasing, at the employee’s cost, additional medical insurance sufficient to reach age 65.

33.5 The City will make every effort to keep the POAL informed early of changes to coverage, premiums, or policies, and will notify the POAL of any such proposed change within ten days of receiving such notice. This includes forwarding copies of supporting documents, reports and periodic satisfaction surveys to the POAL within ten days of receipt of such supporting documents, reports and periodic satisfaction surveys.

**ARTICLE XXXIV - RESERVED**

**ARTICLE XXXV - DEFERRED COMPENSATION**

35.1 Employees may voluntarily participate in the City of Lodi’s Deferred Compensation Plan as allowed by IRS Code 457(k).

35.2 The City shall match contributions by an employee to a deferred compensation program up to a maximum 3.0% of the employee’s gross salary.

**ARTICLE XXXVI - LIFE INSURANCE**

36.1 The City agrees to provide each covered member a $50,000 accidental death policy in addition to any other life insurance policy or statutory payments that may be due to an employee in the event of death resulting from a line-of-duty injury.

**ARTICLE XXXVII - PUBLIC EMPLOYEES’ RETIREMENT SYSTEM**

37.1 The City of Lodi provides retirement benefits through the Public Employees Retirement System. Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 who are deemed “classic” employees by PERS:

Public Safety

- 3% @ 50 plan
- 1959 Survivors Benefit – Third Level
• Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Single Highest Year

37.2 For employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

Public Safety
• 3% @ 55 plan
• 1959 Survivor Benefit – Third Level
• Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest Three Year Average

37.3 The City agrees to provide the following PERS retirement program and to pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

Public Safety
• 2.7% @ 57 plan
• 1959 Survivor Benefit – Third Level
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest Three Year Average
• Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation
37.4 All employees deemed “classic” safety members of CalPERS as referenced in Article 37.1 and 37.2 shall pay nine percent (9%) of the PERS employee’s contribution and three percent (3%) of the PERS employer’s contribution on a pre-tax basis. Employee contributions to the employer’s portion are credited to each employee’s account.

37.5 All employees deemed as “new” Safety members under the Public Employees’ Pension Reform Act of 2013 (PEPRA), shall contribute on a pre-tax basis the greater of 12% or the Required PEPRA Member Contribution Rate as determined by CalPERS. Should the 12% contribution exceed the Required PEPRA Member Contribution Rate, the excess amount shall not be credited to the employee’s account.

37.6 Effective upon a contract amendment with CalPERS, anticipated for November 4, 2019, all employees in the bargaining unit shall pay an additional six percent (6%) of the employer’s contribution, in addition to previously agreed upon cost-sharing outlined in section 37.4 and 37.5 above. Classic safety members shall pay a total of nine percent (9%) of the employer’s normal cost (cost-sharing). PEPRA members shall pay a total of six percent (6%) of the employer’s normal cost (cost-sharing). Once an affirmative vote by those employees defined as PEPRA members, agreeing to the additional six percent (6%) cost-share, employee contributions to the employer’s portion shall be credited to each employee’s account. In addition to the six percent (6%) cost-sharing above, PEPRA members will contribute a minimum of twelve percent (12%) or the Required PEPRA Member Contribution Rate as determined annually by CalPERS as outlined in section 37.5.

37.7 Should a contract amendment with CalPERS not be finalized by November 4, 2019, beginning November 4, 2019, all employees in the bargaining unit shall contribute on a pre-tax basis an additional 6% to the PEPRA member Contribution Rate or the PERS employer contribution. This will be in addition to any contributions under sections 37.4 and 37.5. This amount will be contributed by employees from November 4, 2019 until such time as a contract amendment with CalPERS is finalized. Amounts contributed under this section will not be credited to the employee’s account. Upon successful completion of a contract amendment with CalPERS, this section 37.7 is null and void and section 37.4 through section 37.6 shall govern the employee’s contributions towards the employer’s normal costs.
ARTICLE XXXVIII - SICK LEAVE CONVERSION PROGRAM

38.1 This section applies to all employees hired prior to October 10, 1994.

For all unused sick leave, a represented employee with ten years of employment with the City shall receive medical insurance coverage upon retirement (but not upon resignation or termination) on the following basis:

OPTION #1 – “Bank”
Fifty percent (50%) of the dollar value of sick leave will be placed into a "bank" to be used for medical insurance premiums for the employee and dependents. For each year that an employee has been employed in excess of 10 years, two and one-half percent (2.5%) will be added to the fifty percent (50%) for valuing the size of the bank.

For example:

Officer Smith retires with 20 years of service and 1800 hours of sick leave. His/her monthly salary is $3,412.47 ($19.61 per hour).

\[ 1800 \times 0.75 \times 19.61 = 24,473.50 \]

This amount will be reduced each month by the current premium for the employee and dependent until the balance is gone. In the event the retiree dies the remaining bank will be reduced by fifty percent (50%) and the survivor may use the bank until the balance is gone or may cash out the remaining balance.

OPTION #2 – “Conversion”
The number of accumulated hours shall be multiplied by 50% and converted to days. The City shall pay one month’s premium for employee and dependents for each day after conversion. For each year of employment in excess of 10 years, 2.5% shall be added to the 50% before conversion. The amount of premium paid shall be the same as the premium paid by the City at the time of retirement, subject to the cap shown in Section 33.2 of this MOU. Any differences created by an increase in premiums must be paid for by the employee.

For example:
Officer Smith retires with 25 years of service and 1800 hours of unused sick leave:

Sick Leave Hours – 1800 divided by 8(coverage factor)=225
225 times 87.5 (% of coverage)=196.88
196 divided by 12(yrs) = 16.4 total years of coverage

OPTION #3 – “Service Credit”
Employees may elect to add PERS credit for unused sick leave per Government Code Section 20868.8. This benefit is available to all employees regardless of the date hired; however, it is the only sick leave conversion benefit available to employees hired after October 10, 1994. It is agreed that eight hours equals one day for purposes of determining days creditable. If an eligible employee opts to utilize the provisions of Section 38.1, the City will report they have zero hours of unused sick leave.

38.2 In the event an active employee dies before retirement and that employee is vested in the sick leave conversion program (10 years) the surviving dependents have an interest in one-half the value of the bank as calculated in option #1.

38.3 In accordance with the sick leave conversion provisions, a surviving spouse may at his/her own expense, continue medical insurance at the employee only premium for the same period as if the employee had not died.

38.4 Out of area retirees may receive reimbursement for medical insurance premiums up to the City's liability as specified in Section 38.1 of this Article.

ARTICLE XXXIX - SURVIVORS BENEFITS

39.1 The City shall pay 100% of the premiums for health and dental benefits described in this MOU for the surviving spouse and any minor children of any member of the POAL who is killed or dies during the performance of official duties. Premiums will be paid at the current rate in effect at the time of the member's death. Premiums will continue to be paid by the City until such time as the surviving spouse is covered by other insurance or remarries, and for dependent children of the member killed in the line of duty until such time as either:

a. the children are no longer eligible by law to be covered as dependents on the plan, or
b. the children are covered under other alternative medical coverage provided by and through the surviving spouse or the person who he/she remarrys.

39.2 Survivor benefits (listed in 4856 of the California Labor Code) do not apply to Police Officer Trainee until such time that he/she is sworn pursuant to Article 20, Section 3

39.3 Disability benefits (listed in 4850 of the California Labor Code) shall not apply to until such time that he/she is sworn pursuant to Article 20, Section 3.

**ARTICLE XL - TUITION REIMBURSEMENT**

40.1 Tuition Reimbursement is available to employees in accordance with the City’s current Tuition Reimbursement policy

**CHAPTER 4 - ASSOCIATION/CITY ISSUES**

**ARTICLE XLI - ASSOCIATION TIME**

41.1 Individual bargaining unit members may donate from their accrued vacation leave, holiday leave, or compensatory time off up to a total of 800 hours per calendar year for Association business directly related to representation of Lodi Police Officers. The President of the POAL may designate members of the Association to utilize this time. Only one member at a time may be absent unless mutually agreed that additional members may be absent. Five days advance notice of use of time shall be given. The time may be used only in hourly increments with a two-hour minimum.

41.2 The POAL has the right to purchase additional time at the rate of 150% of base pay.

41.3 Except in cases of an emergency, the President of the POAL shall be granted one day per week wherein half of one day's shift per week may be used for the performance of the duties of the office of President of the POAL. This time shall be scheduled at a time mutually agreed upon between the POAL President and the Police Chief or his designee. Such time shall be charged to the Association time bank.
ARTICLE XLII - BENEFICIAL PAY PRACTICE

42.1 If the department, in its sole discretion, wishes to implement a new beneficial pay practice, it will notify the POAL and provide an opportunity to meet and confer.

ARTICLE XLIII - CHANGES IN THE MEMORANDUM OF UNDERSTANDING

43.1 The City and the POAL agree to reopen this MOU and to renew Meeting and Conferring on the subjects set forth herein during the term of this MOU in the event that any provision of this MOU is modified by statute or by a competent order of a court in such a way as to affect either the employees or the City. In such event, all remaining provisions of the MOU shall continue in full force and effect unless and until they are also modified by statute or competent order of a court or agreement of the City and the POAL.

ARTICLE XLIV - CITY RIGHTS

44.1 It is further understood and agreed between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include but are not limited to, the exclusive rights to:

- Determine the mission of its constituent departments, commissions, and boards.
- Set standards of service.
- Determine the procedures and standards of selection for employment.
- Direct its employees.
- Maintain the efficiency of governmental operations.
- Determine the methods, means, and personnel by which government operations are conducted.
- Take all necessary actions to carry out its mission in emergencies.
- Exercise complete control and discretion and the technology of performing its work.

City rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to make and enforce standards of conduct and discipline, and to determine the content of job classifications; provided, however, that nothing herein may be read to extend the term of the MOU nor to supplement negotiations as a means for arriving at terms for a successor MOU.
ARTICLE XLV - CONCERTED ACTIVITIES

45.1 The POAL and employees agree that they will not engage in any strike, sympathy strike, slowdowns, work to rule, “blue flu”, or other concerted withholding of services. In the event of any such activity, the POAL will take any such activity to a cessation immediately. The association and all employees covered by this agreement acknowledge that any such activity by employees covered by this agreement is misconduct which may lead to discipline up to termination.

ARTICLE XLVI - EMPLOYEE REPRESENTATION

46.1 This Memorandum of Understanding (MOU) is entered into between representatives of the City of Lodi (City) and representatives of the Police Officers' Association of Lodi (POAL).

The parties hereto acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq. of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth herein.

Both parties each certify without reservation that an adequate opportunity has been afforded its bargaining representatives to propose and vigorously advocate all negotiable subject matter during the course of collective negotiations preparatory to signing this agreement. City will meet and confer before changing a policy or general order that is subject to meet and confer under the Meyers-Milias-Brown Act.

The terms and conditions of this MOU are applicable to Police Officer Trainee, Police Officer and Police Corporal.

It is mutually agreed that this document supersedes all previous MOU’s and all practices not defined in this MOU.

The terms and conditions of this MOU shall continue in effect during the term of this MOU.

The City and the POAL agree and understand that if any section of this MOU in any way conflicts with the terms and conditions of employment stated in other authorities, such as
personnel rules, administrative policy and procedure manual, City resolutions, or City ordinances, any ambiguity will be resolved in favor of the MOU language. If the MOU is silent on an issue, the applicable document (i.e. policy manual or rules for personnel administration) is controlling. State and Federal laws will be adhered to.

46.2 The City and the POAL mutually agree that the City shall grant dues deduction to City employees who are members of the POAL in accordance with the terms and conditions set forth in Section 4, Rule 2 of City of Lodi Resolution No. 3344 entitled "Adopting Rules and Regulations to Implement Provisions of the Employee-Employer Relations Resolution." The POAL shall indemnify, defend, and hold the City harmless against any claims made and against any suit instituted against the City on account of check-off of said employee organization's dues. In addition, the POAL shall refund to the City any amounts paid to it in error upon presentation of supporting evidence. An authorization for payroll deductions may be canceled or modified upon written notice to the City and the Association before the 20th day of the month in which the cancellation is to become effective, subject to the provisions of this article. Any dues check-off cancellation or modification notice shall first be forwarded to the POAL for notation and then returned to Payroll prior to any change in a member's dues check-off.

46.3 The City shall make available a period of one hour to the association in each recruit class with an end toward education of each employee of the rights and benefits under the collective bargaining agreement, as well as other association benefits, and the responsibilities of the employee and the organization of the association with an end toward having an employee who would become a better association member and a better employee.

46.4 All new hires in the classification of Police Officer Trainee shall remain in this category until they have completed their field training program and have been certified to work as a Police Officer.

46.5 For purposes of continued certification of the POAL as the recognized employee organization for this unit, employees who are members or hereafter become members shall maintain membership with the POAL for the life of this MOU except that any unit employee may withdraw from membership not earlier than ninety days nor less than sixty days before the expiration of this MOU. Such withdrawal must be in writing and
delivered to the POAL. A copy of the request shall be forwarded to the Finance Department upon receipt by the POAL.

46.6 The City agrees to recognize the POAL representatives for the purpose of representing members of the POAL on all matters relating to the administration of this MOU, and, upon the request of an employee, on adverse actions and other matters which may be or are on appeal in accordance with Article XLVII of this MOU.

**ARTICLE XLVII - EMPLOYEE RIGHTS**

47.1 The City agrees that all disciplinary actions shall be taken in a timely manner, recognizing that imposing discipline, grieving such discipline, investigations, and criminal proceedings may preclude timely action. This process also includes investigations of the complaint, recommending discipline to the office of the Police Chief, and the imposition of discipline.

47.2 The POAL retains the right to provide representation for employees in the classification of Police Officer Trainee, though it is acknowledged that prior to being sworn pursuant to Article 20, Section 3, that the Police Officers Procedural Bill of Rights is not applicable to those employees. The City and its employees agree that disciplinary actions involving employees in the classification of Police Officer Trainee, prior to being sworn, will continue to be handled in a manner consistent with other member of this bargaining unit.

47.3 It is understood by both parties that the POAL, in addition to any other rights herein specified, has the following rights:

1. To represent its members before the City regarding wages, hours, and other terms and conditions of employment.

2. To receive timely written notice of changes to or adoption of any rule or regulation directly relating to wages, hours and other terms and conditions of employment.

3. With an employee’s written consent, an authorized POAL representative shall be permitted, upon request, to inspect the employee's official departmental personnel
file during normal business hours. Such review shall not interfere with normal business of the Department.

The City agrees to recognize the POAL representatives for the purpose of representing employees on all matters relating to the administration of this MOU; and, upon the request of an employee on adverse actions and other matters which may be or are on appeal in accordance with Article XLVI of this MOU.

47.4 The City agrees to provide each represented employee with copies of special orders, general orders, training bulletins, departmental rules and regulations, and a copy of this MOU.

47.5 The City agrees not to interfere or in any way discriminate against an employee for exercising his/her right to belong to an employee organization or to exercise his/her rights under this MOU. The POAL similarly agrees that it will not interfere with or discriminate against employees for exercising rights to belong or refrain from belonging to, supporting, or participating in the activities of an employee organization.

47.6 Both the City and the POAL agree that no employee shall be subjected to any discrimination by the City or fellow employees in any matter relating to hiring, promotion, assignment, wages, or conditions of employment because of age, sex, creed, color, or national origin. Alleged discriminatory acts are subject to the City’s Policy and Procedure regarding Discrimination, not the grievance procedure.

**ARTICLE XLVIII - GRIEVANCE PROCEDURE**

48.1 Intent and definitions of this section:

a. This grievance procedure shall be used to process and resolve disputes regarding the interpretation or application of any of the terms and conditions of this MOU, Letters of Understanding, and formal interpretations and clarifications executed by the POAL and the City.

b. The intent of this procedure is to resolve grievances informally at the lowest possible level and to provide an orderly procedure for reviewing and resolving grievances promptly.
c. A grievance is a good faith complaint of one or a group of employees or a dispute between the City and the POAL involving the interpretation, application, or enforcement of the express terms of this MOU and other terms and conditions of employment and matters of discipline.

d. As used in this procedure, the term "party" means an employee, the POAL, the City, or their authorized representatives. The employee is entitled to representation through all the steps in the procedure.

e. As used in this procedure the term “working days” refers to Monday through Friday, excluding City-recognized holidays.

48.2 Grievance Procedure

A. **Grievances in General.** An employee, individually or in representation of a group of employees, may complain to City management through the grievance procedure regarding any matter relating to that employee's wages, hours, or conditions of employment. A grievance may be either formal or informal. An informal grievance is a prerequisite to filing a formal grievance.

B. **Informal Grievance.** An employee, individually or in representation of a group of employees, with a grievance shall first discuss the matter with his or her immediate supervisor within ten (10) working days of the matter complained of. The supervisor and the employee shall attempt to informally resolve the dispute. If this is not accomplished, the employee shall next discuss the matter with the next level of supervision within ten (10) working days of the unsuccessful discussion and so on, until the employee reaches the Police Chief. The decision of the Police Chief regarding an informal grievance shall be final unless the employee files a formal grievance. A request for the grievance to be presented in writing may be made at any supervisory level and shall be made prior to filing a formal grievance.

C. **Formal Grievance**

1. An employee, individually or in representation of a group of employees, who has a grievance which remains unresolved after utilizing the informal
grievance procedure may file a formal grievance in writing. The employee shall file a formal written grievance with the City Manager or designee within ten (10) working days after the final decision on the informal grievance. The formal grievance shall contain all relevant information relating to the grievance which the employee wishes the City Manager to consider. The City Manager or designee shall meet with and respond in writing to the employee within ten (10) working days of the receipt of the grievance.

2. A grievance may be appealed to arbitration. Only the POAL may appeal to arbitration, and must notify the City within ten (10) working days after the decision of the City Manager.

3. Selection of Arbitrator. Within ten (10) working days after the request for arbitration is received by the City or at a date mutually agreed to by the parties, the parties shall meet to select an impartial arbitrator. If no agreement is reached, the parties shall immediately and jointly request a panel of five arbitrators from the State Conciliation and Mediation Service and shall alternately strike names until one name remains. The order of striking shall be determined by lot.

48.3 Discipline

A. Discipline in General. Causes for disciplinary action are specified in the Rules for Personnel Administration (RPA) and the Department’s policy manual. Disciplinary action includes but is not limited to written reprimands, demotion, suspension, or discharge of the employee. The causes cited in the RPA and policy manual are for both specific and exemplary reasons to alert employees to the more commonplace types of disciplinary issues. However, because conditions of human conduct are unpredictable, there may arise instances of unacceptable behavior not included in the written list of causes, in which the City may find it necessary and appropriate to initiate disciplinary action.

B. Right of Appeal

1. Any employee shall have the right to appeal an EPO to the Division Commander (or Police Chief if issued by Division Commander). Any
employee shall have the right to appeal a written reprimand through the chain of command up to the Police Chief or his designee. The decision of the Police Chief is final and binding and not subject to further appeal. The appeal process timeline is as specified in #2a and #2b.

2. Any employee in the POAL bargaining unit shall have the right to appeal disciplinary action above a written reprimand as follows:

   a. An employee must submit, in writing, to the Division Commander the appeal, clearly stating the basis and requested action within ten (10) working days after receiving the notice of discipline. The decision of the Division Commander will be issued within ten (10) working days of receipt of appeal.

   b. The Division Commander’s decision may be appealed to the Police Chief or his designee by filing in writing within ten (10) working days after issuance. The Police Chief will schedule a meeting with the employee and hear all evidence germane to the dispute. Thereafter, the Police Chief will decide the matter within ten (10) working days.

   c. The Police Chief’s decision may be appealed to the City Manager or his designee by filing in writing within ten (10) working days after issuance. The City Manager will respond in writing within ten (10) working days of receipt of the appeal.

   d. The City Manager’s decision may be submitted to arbitration as the final level of appeal for disciplinary action. Only the association may appeal to arbitration and must notify the City within ten (10) working days of the date of notice from the City Manager.

C. Conduct of Appeal Process

1. Failure by either party to meet the established time limits will result in forfeiture by the failing party. Grievance settled by forfeiture shall not bind either party to an interpretation of this MOU, nor shall such
settlements be cited by either party as evidence in the settlement of subsequent grievances.

2. The time limits specified may be extended by mutual agreement between the parties.

D. Arbitration Process Guidelines

To insure that the arbitration process is as brief and economical as possible, the following guidelines shall be adhered to:

a. An arbitrator may, upon mutual consent of the parties, issue a decision, opinion, or award orally upon submission of the arbitration.

b. Both parties and the arbitrator may tape record the hearing.

c. There shall be no official transcript required; however, either party may utilize a court reporter at its own sole expense. The cost of a court reporter required by an arbitrator shall be shared equally by the parties.

d. In grievance arbitration, the parties may agree to prepare a joint letter submitting the issue in dispute. The letter shall present the matter on which arbitration is sought and shall outline the MOU provisions governing the arbitration. It may contain mutually agreed on stipulations of fact and it may be accompanied by any documents that the parties mutually agree shall be submitted to the arbitrator in advance of the hearing which may not necessarily be stipulations of fact. Further, if the parties mutually agree, the entire matter may be submitted to arbitration for review without a hearing. Absent agreement to prepare a joint letter, the parties may submit separate letters.

e. The strict rules of evidence are not applicable and the hearing shall be informal.

f. The parties have the right to present and cross-examine witnesses, issue opening and closing statements, and file written closing briefs. Testimony shall be under oath or affirmation.
g. The arbitrator may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.

h. Attendance at a hearing shall be limited to those determined by the arbitrator to have a direct connection with the appeal. Witnesses normally would be present at the hearing only while testifying and should be permitted to testify only in the presence of the employee or his/her representatives and the employer's representatives.

i. The arbitration hearing will be held on the employer's premises.

j. The cost of arbitration shall be borne equally by the parties. However, the cost, if any, of cancellation or postponement shall be the financial responsibility of the party requesting such delay unless mutually agreed by the parties.

The decision, opinion, or award shall be based on the record developed by the parties before and during the hearing. The decision will be in writing and it shall contain the crucial reasons supporting the decision and award.

The arbitrator has no power to add to, subtract from, or modify the terms of the MOU or the written ordinances, resolutions, rules, regulations, and procedures of the City, nor shall he/she impose any limitations or obligations not specifically provided for under the terms of this MOU. The arbitrator shall be without power or authority to make any decision that requires the City or management to do an act prohibited by law.

The arbitrator has no power to add to a disciplinary action.

The arbitrator's decision shall be final, binding, and precedential and the arbitrator's decision shall possess the authority to make an employee whole to the extent such remedy is not limited by law, including the authority to award back pay, reinstatement, retroactive promotion where appropriate, and to issue an order to expunge the record of all references to a disciplinary action if appropriate.

The arbitrator shall have the authority to make all arbitrability and/or grievability determinations. The arbitrator shall make grievability and/or arbitrability determinations prior to addressing the merits of the case.
By filing a grievance or appealing a disciplinary action to arbitration, the grievant expressly waives any right to statutory remedies or to the exercise of any legal process other than is provided by this grievance/arbitration procedure. The processing of a grievance to arbitration shall constitute an express election on the part of the grievant that the grievance/arbitration procedure is the chosen forum for resolving the issues contained in the grievance, and that the grievant will not resort to any other forum or procedure for resolution or review of the issues. The parties do not intend by the provisions of this paragraph to preclude the enforcement of any arbitration award in any court of competent jurisdiction.

**Article XLIX - Layoff Procedure**

49.1 In the event that reductions in rank or layoffs of Police Unit personnel are necessary, the following procedure shall be followed:

a. Any reduction in rank shall be based entirely on seniority. The employee having the least classification seniority shall be reduced first and transferred to the next lower classification to which he/she previously worked.

b. If an employee is reduced in rank he/she shall not be laid off until all other employees of similar rank to which he/she was reduced have been laid off (i.e., if a Police Sergeant is reduced in rank to Police Officer, he/she must then be the last Police Officer to be laid off, regardless of the seniority of the other Police Officers).

c. All layoffs of Police personnel within the seniority span of service shall be by merit (at the discretion of the City Manager upon the recommendation of the Police Chief). The seniority spans of service are as follows:

1) All Police Officer Trainees based on seniority; then
2) All Police Officers on probation (one-year period);
3) All personnel with less than two years seniority; then
4) All personnel with two to three years seniority; then
5) All personnel with three to six years seniority; then
6) Personnel with more than six years shall be laid off by seniority.

Before any employee of a higher seniority group is laid off, all persons in the junior group must be laid off first.
d. Reinstatement shall be in reverse order of layoff or reduction in rank (i.e., the last Police Officer to be laid off would be first Police Officer reinstated.)

**ARTICLE LI - PROBATIONARY PERIOD**

50.1 During the probationary period, the probationary employee shall be entitled to sick leave benefits. Employees shall be eligible to be considered for a merit increase upon the successful completion of probation. Nothing herein shall be deemed to alter the terms or conditions of the probationary period following promotion.

**ARTICLE LII - PROMOTIONAL EXAMINATIONS**

51.1 The certification process on promotional examinations for positions represented in this bargaining unit (Police Corporal) will be as follows:

1. For one vacancy, the top five highest scoring applicants will be certified to the Police Chief for a hiring interview.

2. In the event of more than one vacancy at the same time, two additional names will be certified for each additional vacancy. For example, if there are two vacancies, seven (7) names shall be certified, three (3) vacancies, nine (9) names, etc.

3. It is understood and agreed that the Police Chief has the sole right to select any of the certified applicants in compliance with the Rules for Personnel Administration and applicable law.

**ARTICLE LIII – PERSONNEL FILES**

52.1 Employees shall be provided a copy of all performance related memoranda (including performance evaluations) placed in their official personnel file which is retained in the Human Resources Department, and their "Administrative File" which is retained in the Police Department. Personnel files shall be kept in a secured location. Items that are to be removed shall be returned to the employee for disposition.

Affected employees shall be provided a copy of adverse comments placed in their official personnel file and shall have access to adverse comments placed in their administrative
file maintained by the Police Department. No employee shall have any adverse comments placed in his/her file without first reading and signing indicating awareness of such adverse comments. Should an employee refuse to sign, the adverse comments will nevertheless be placed in his/her file. An employee shall have thirty (30) days within which to file a written response to any adverse comments entered into his/her-the-official personnel file. Such written response shall be attached to and shall accompany the adverse comments. Upon written request of the employee, adverse comments in the personnel file and administrative file shall be removed in accordance with the timelines prescribed. Adverse comments pertaining to attendance problems may be used to support discipline only if the discipline was primarily imposed for an incident involving attendance problems. References to Letter of Discussion and Oral Counseling shall be articulated on a separate piece of paper for each event.

An employee shall be permitted at any time during regular office hours to inspect his/her personnel or administrative files provided notice is given to the custodian department which is sufficient to allow it up to three (3) of its working days to make the files available. He/she may also authorize, in writing, the Association representative to also inspect his/her personnel file provided the same advance notice is given. Such reviews shall be made in the Human Resources Department or Police Department subject to the presence of a member of the Human Resources Department or Police Department staff or its designee.

Any matters not in the official personnel file or referred to in the official personnel file shall not be used as the basis of discipline. Material in personnel files shall be regarded as confidential and disclosed only in accordance with provisions of this MOU and applicable law.

Material contained in the Internal Affairs Division files, administrative file and the employee's personnel file shall be removed and destroyed after five (5) years from placement in the files, unless litigation relating to such material is pending. In such case, the potentially relevant material shall be retained in the files until the matter has been fully and finally adjudicated or until at least five (5) years have passed since the material was placed in the file, whichever occurs later.

The contents of the Internal Affairs File shall be purged and destroyed in accordance with applicable law.
All documented disciplinary actions shall be removed from the employee's official personnel file and "Administrative File" in accordance with table to follow.

This Section shall always be in compliance with the Public Safety Officers Procedural Bill of Rights Act, as set forth in Government Code Sections 3300-3312, and all provisions of law. Civilian employees shall not be granted any additional rights under the Public Safety Officer's Procedural Bill of Rights Act beyond those stated in this Section.

52.2 **Document Retention**

The following table reflects the time period each documented discipline shall be retained in the employee’s personnel files:

<table>
<thead>
<tr>
<th>Level of Discipline</th>
<th>Considered for Promotion and Utilized in Progressive Discipline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter of Discussion</td>
<td>2 Years from Date of Discipline</td>
</tr>
<tr>
<td>Oral Counseling</td>
<td>2 Years from Date of Discipline</td>
</tr>
<tr>
<td>Written Reprimand</td>
<td>2 Years from Date of Discipline</td>
</tr>
<tr>
<td>Pay Step Reduction</td>
<td>3 Years from Date of Discipline</td>
</tr>
<tr>
<td>Suspension Without Pay</td>
<td>3 Years from Date of Discipline</td>
</tr>
<tr>
<td>Demotion</td>
<td>5 Years from Date of Discipline</td>
</tr>
</tbody>
</table>

52.3 The City shall not maintain any file that the employee does not have access to, nor shall any file be kept beyond the above timeframes except in instances where the material is subject to pending litigation.

52.4 Should the City request to meet and confer over changes to this section, the POAL agrees to engage in discussions.

**ARTICLE LI - SEVERABILITY**

53.1 In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

**ARTICLE LIV – TERM**

54.1 The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City of Lodi and POAL agree that the term is July 1, 2019 through June 30, 2022.
54.2 The POAL and City mutually agree to commence negotiations for a new contract no later than three (3) months prior to the expiration of this MOU.
## EXHIBIT A

### Annual Salary Effective July 15, 2019 (4.3%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer</td>
<td>63,172.53</td>
<td>66,331.11</td>
<td>69,649.73</td>
<td>73,130.13</td>
<td>76,786.60</td>
</tr>
<tr>
<td>Trainee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Officer</td>
<td>73,153.77</td>
<td>76,811.47</td>
<td>80,652.07</td>
<td>84,684.73</td>
<td>88,918.92</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>77,542.96</td>
<td>81,420.16</td>
<td>85,491.23</td>
<td>89,765.76</td>
<td>94,254.00</td>
</tr>
</tbody>
</table>

### Annual Salary Effective November 4, 2019 (6.0%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer</td>
<td>77,543.00</td>
<td>81,420.16</td>
<td>85,491.19</td>
<td>89,765.81</td>
<td>94,254.06</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>82,195.54</td>
<td>86,305.39</td>
<td>90,620.70</td>
<td>95,151.71</td>
<td>99,909.24</td>
</tr>
</tbody>
</table>

### Annual Salary Effective First Full Pay Period in January 2020 (3.0%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer</td>
<td>65,067.71</td>
<td>68,321.04</td>
<td>71,737.16</td>
<td>75,324.03</td>
<td>79,090.20</td>
</tr>
<tr>
<td>Trainee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Officer</td>
<td>79,869.29</td>
<td>83,862.76</td>
<td>88,055.93</td>
<td>92,458.78</td>
<td>97,081.68</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>84,661.41</td>
<td>88,894.55</td>
<td>93,339.32</td>
<td>98,006.26</td>
<td>102,906.52</td>
</tr>
</tbody>
</table>

### Annual Salary Effective First Full Pay Period July 2020 (3.0%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer</td>
<td>67,019.74</td>
<td>70,370.67</td>
<td>73,899.27</td>
<td>77,583.75</td>
<td>81,462.91</td>
</tr>
<tr>
<td>Trainee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Officer</td>
<td>82,265.37</td>
<td>86,378.64</td>
<td>90,697.61</td>
<td>95,232.54</td>
<td>99,994.13</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>87,201.25</td>
<td>91,561.39</td>
<td>96,139.50</td>
<td>100,946.45</td>
<td>105,993.72</td>
</tr>
</tbody>
</table>

### Annual Salary Effective First Full Pay Period July 2021 (3.0%)

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officer</td>
<td>69,030.33</td>
<td>72,481.79</td>
<td>76,105.95</td>
<td>79,911.26</td>
<td>83,906.80</td>
</tr>
<tr>
<td>Trainee</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Police Officer</td>
<td>84,733.33</td>
<td>88,970.00</td>
<td>93,418.54</td>
<td>98,089.52</td>
<td>102,993.95</td>
</tr>
<tr>
<td>Police Corporal</td>
<td>89,817.29</td>
<td>94,308.23</td>
<td>99,023.69</td>
<td>103,974.84</td>
<td>109,173.53</td>
</tr>
</tbody>
</table>
POLICE OFFICERS’ ASSOCIATION OF LODI

________________________________________
Ryan LaRue, President
Negotiator

Date__________________

________________________________________
Dominic Carillo, Vice President
Negotiator

Date__________________

MASTAGNI HOLSTEDT ET AL

________________________________________
Jerry Camous, Labor Relations Consultant

Date__________________

CITY OF LODI

________________________________________
Stephen Schwabauer, City Manager

Date__________________

________________________________________
Andrew Keys, Deputy City Manager

Date__________________

__________________________
Adele Post, Human Resources Manager

Date__________________

APPROVED AS TO FORM:

________________________________________
Janice D. Magdich, City Attorney

Date__________________

ATTEST:

________________________________________
Jennifer M. Ferraiolo, City Clerk
AGENDA TITLE: Adopt Resolution Approving the Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization for the Period July 1, 2019 through June 30, 2022

MEETING DATE: July 17, 2019

SUBMITTED BY: Human Resources Manager

RECOMMENDED ACTION: Adopt resolution approving the Memorandum of Understanding between the City of Lodi and the Lodi Police Mid-Management Organization for the period July 1, 2019 through June 30, 2022.

BACKGROUND INFORMATION: Representatives from the City and Lodi Police Mid-Management Organization (LPMO) have reached a tentative agreement on a new Memorandum of Understanding (MOU), subject to the approval of Council.

A redline strikeout version of the MOU is attached for Council review and approval. A summary of the key changes to the MOU are as follows:

- The term of the MOU shall be from July 1, 2019 through June 30, 2022.
- Twenty and three tenths percent (20.3%) salary adjustment over the term of the contract as follows:
  - Four point three percent (4.3%) retroactive to July 1, 2019.
  - Six percent (6.0%) effective October 21, 2019.
  - Four percent (4.0%) effective the first full pay period in January 2020.
  - Three percent (3.0%) effective the first full pay period in July 2020.
  - Three percent (3.0%) effective the first full pay period July 2021.
- Six percent (6.0%) cost sharing participation in the City’s Normal Cost contribution to CalPERS for both Classic and PEPRA members. Cost sharing will be effective October 21, 2019. This is in addition to cost sharing negotiated during the previous contract.
- Longevity pay of $1,500 annually for ten (10) years of service and $3,000 for twenty (20) years of service for employees hired July 10, 2012 and thereafter.
- Five percent (5.0%) increase in the City’s contribution towards medical insurance premiums for consistency with all other bargaining units.

Both the City and LPMO recognize the need to offer competitive salary and benefit packages to attract and retain talented employees. Lodi Police Department (LPD) has operated significantly below full staff for the last decade, particularly at the Police Officer level. LPMO ranks have been fully staffed for the most part, however LPMO members have had to consistently supervise and train inexperienced officers and fill in the gaps when officer positions are vacant. LPMO also saw the reduction of one Sergeant position during this time without a reduction in required job duties or service level expectations. Coupled with increasingly complex regulation and mandates governing policing in general, the job performed by LPMO has become increasingly challenging.

APPROVED: _____________________________
Stephen Schwabauer, City Manager
While the City desires to maintain fiscally sustainable operations, the community deserves and demands a fully staffed and capable police force filled with top notch public safety officers. This includes top notch management staff. The substantial salary and benefit enhancements in this contract are costly and financed by reserves. However, they are essential to ensure Lodi citizens have the public safety managers necessary to lead the current and future Police Officers to be productive in maintaining law and order in the community. Without the increases, the City runs the risk of not being able to attract enough qualified officers to promote or lateral from other agencies to fill vacancies in LPMO that will be created in the next few years by impending retirements. Despite the substantial salary increases, it is anticipated that LPMO members will at best be at the midpoint in terms of total compensation at the end of the contract term as compared to agencies listed in Article I as comparable. Given that LPMO Sergeants are currently 18.0% below the median in terms of salary and 15.6% below median in terms of total compensation, the substantial salary increases are warranted.

Staff recommends that the Council approve the MOU between the City and LPMO.

**FISCAL IMPACT:** The total long term annual cost of the proposed agreement is $510,000. The total cost of the term of the agreement is $1,185,000 as shown below.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/20</td>
<td>$280,000</td>
</tr>
<tr>
<td>2020/21</td>
<td>$395,000</td>
</tr>
<tr>
<td>2021/22</td>
<td>$510,000</td>
</tr>
<tr>
<td><strong>Total Cost (3 years)</strong></td>
<td><strong>$1,185,000</strong></td>
</tr>
</tbody>
</table>

**FUNDING AVAILABLE:** Budget adjustments for these increases will be needed at Mid Year Fiscal Year 2019/20. Vacancy savings are the first source for funding the increases for this and future employee contract changes in the coming Fiscal Year. These savings have been significant in the past three years allowing the City to build up substantial reserves. These reserves will be necessary to finance a large portion of the salary increases. Staff will first seek to prioritize Pension Stabilization Reserves held at PARS to pay eligible pension costs in order to preserve locally held economic and catastrophic reserves should actual reserves be needed. Staff will seek Council input prior to any use of reserves. Staff expects the City's locally held General Fund balance to drop below 16% at the close of Fiscal Year 2019/20. This would require utilizing Pension Stabilization resources to fund the UAL payment in part in Fiscal Year 2020/21.

______________________________
Adele Post, Human Resources Manager

______________________________
Andrew Keys, Deputy City Manager

Attachment
MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF LODI

AND

LODI POLICE MID-MANAGEMENT ORGANIZATION (LPMO)

JANUARY 1, 2018—JUNE 30, 2019
JULY 1, 2019 – JUNE 30, 2022
# Table of Contents

## CHAPTER 1 – SALARIES AND OTHER COMPENSATION

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article I</td>
<td>Salary and Term</td>
<td>4</td>
</tr>
<tr>
<td>Article II</td>
<td>Uniform Allowance</td>
<td>5</td>
</tr>
<tr>
<td>Article III</td>
<td>Bi-lingual Pay</td>
<td>5</td>
</tr>
<tr>
<td>Article IV</td>
<td>Compensatory Time</td>
<td>5</td>
</tr>
<tr>
<td>Article V</td>
<td>Court Time</td>
<td>6</td>
</tr>
<tr>
<td>Article VI</td>
<td>Longevity Pay</td>
<td>6</td>
</tr>
<tr>
<td>Article VII</td>
<td>Special Assignment Pay</td>
<td>7</td>
</tr>
<tr>
<td>Article VIII</td>
<td>Out of Class Pay</td>
<td>7</td>
</tr>
<tr>
<td>Article IX</td>
<td>Call Back Pay</td>
<td>7</td>
</tr>
<tr>
<td>Article X</td>
<td>Wellness Program</td>
<td>7</td>
</tr>
</tbody>
</table>

## CHAPTER 2 – BENEFITS AND INSURANCE

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article XI</td>
<td>Employee Assistance Program</td>
<td>8</td>
</tr>
<tr>
<td>Article XII</td>
<td>Deferred Compensation</td>
<td>9</td>
</tr>
<tr>
<td>Article XIII</td>
<td>Flexible Spending Account</td>
<td>9</td>
</tr>
<tr>
<td>Article XIV</td>
<td>Chiropractic</td>
<td>9</td>
</tr>
<tr>
<td>Article XV</td>
<td>Education Incentive</td>
<td>9</td>
</tr>
<tr>
<td>Article XVI</td>
<td>Overtime</td>
<td>9</td>
</tr>
<tr>
<td>Article XVII</td>
<td>Retirement</td>
<td>10</td>
</tr>
<tr>
<td>Article XVIII</td>
<td>Sick Leave Conversion</td>
<td>12</td>
</tr>
<tr>
<td>Article XIX</td>
<td>Medical Insurance</td>
<td>13</td>
</tr>
<tr>
<td>Article XX</td>
<td>Dental Insurance</td>
<td>14</td>
</tr>
<tr>
<td>Article XXI</td>
<td>Vision Insurance</td>
<td>14</td>
</tr>
<tr>
<td>Article XXII</td>
<td>Life Insurance</td>
<td>14</td>
</tr>
<tr>
<td>Article XXIII</td>
<td>Survivors Medical Benefits</td>
<td>14</td>
</tr>
<tr>
<td>Article XXIV</td>
<td>Tuition Reimbursement</td>
<td>15</td>
</tr>
</tbody>
</table>

## CHAPTER 3 – LEAVES

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article XXV</td>
<td>Vacation Leave</td>
<td>15</td>
</tr>
<tr>
<td>Article XXVI</td>
<td>Administrative Leave</td>
<td>16</td>
</tr>
<tr>
<td>Article XXVII</td>
<td>Holidays</td>
<td>16</td>
</tr>
<tr>
<td>Article XXVIII</td>
<td>Sick Leave</td>
<td>17</td>
</tr>
<tr>
<td>Article XXIX</td>
<td>Family and Medical Leave</td>
<td>17</td>
</tr>
<tr>
<td>Article XXX</td>
<td>Catastrophic Leave</td>
<td>17</td>
</tr>
<tr>
<td>Article XXXI</td>
<td>Bereavement Leave</td>
<td>17</td>
</tr>
<tr>
<td>Article XXXII</td>
<td>Leaves of Absence</td>
<td>17</td>
</tr>
</tbody>
</table>
### CHAPTER 4 – ORGANIZATION / CITY ISSUES

<table>
<thead>
<tr>
<th>Article</th>
<th>Issue</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXIII</td>
<td>Probation</td>
<td>17</td>
</tr>
<tr>
<td>XXXIV</td>
<td>Personal Liability</td>
<td>18</td>
</tr>
<tr>
<td>XXXV</td>
<td>Grievance Procedure</td>
<td>18</td>
</tr>
<tr>
<td>XXXVI</td>
<td>Disciplinary Procedure</td>
<td>19</td>
</tr>
<tr>
<td>XXXVII</td>
<td>City Rights</td>
<td>22</td>
</tr>
<tr>
<td>XXXVIII</td>
<td>Employee Representation</td>
<td>22</td>
</tr>
<tr>
<td>XXXIX</td>
<td>Employee Rights</td>
<td>23</td>
</tr>
<tr>
<td>XXXX</td>
<td>Rest Period</td>
<td>24</td>
</tr>
<tr>
<td>XXXXI</td>
<td>Changes in MOU</td>
<td>24</td>
</tr>
<tr>
<td>XXXXII</td>
<td>Severability</td>
<td>24</td>
</tr>
</tbody>
</table>

### CHAPTER 5 – WORK HOURS

<table>
<thead>
<tr>
<th>Article</th>
<th>Issue</th>
<th>Page #</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXXXIII</td>
<td>Hours of Work</td>
<td>25</td>
</tr>
</tbody>
</table>

| Attachment A | Salary Schedule      | 26     |
City of Lodi

And

Lodi Police Mid-Management Organization

January 1, 2018—June 30, 2019
July 1, 2019—June 30, 2022

CHAPTER 1 - SALARIES AND OTHER COMPENSATION

ARTICLE I - SALARY AND TERM

1.1 The City of Lodi (City) and the Lodi Police Mid-Management Organization (LPMO) mutually agree the Lieutenant position is the benchmark position for all sworn members of this bargaining unit for determining employee’s compensation.

1.2 Sergeant’s salary will be calculated by dividing the Lieutenant’s salary by 1.20, creating a 20% separation between Lieutenant and Sergeant.

1.3 Captain’s salary will be calculated by multiplying the Lieutenant’s salary by 1.20, creating a 20% separation between Lieutenant and Captain.

1.4 The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City and LPMO agree that the term is January 1, 2018—June 30, 2019 through July 1, 2019—June 30, 2022.

1.5 The City and the LPMO agree to commence negotiations no later than (3) months prior to the expiration of the MOU.

1.6 Although the City is not required to perform or act on a salary survey during the term of this MOU, in the event a salary survey is performed, the City and the LPMO agree that the salary survey cities shall be as follows:

*Chico  *Merced  *Tracy
*Clovis  *Modesto  *Turlock
*Davis  *Redding  *Vacaville
*Fairfield  *Roseville  *Visalia
*Manteca  *Stockton  *Woodland

Salary surveys shall include the following areas of compensation:

- Salary
- PERS employee contribution paid by employer
- Health Care Contribution paid by employer
- Education Incentives
• POST Certificate Pay
• Longevity Pay
• Deferred Compensation Contribution

1.7 Effective October 8, 2018, the City shall increase the salary ranges by three percent (3%) in exchange for a CalPERS cost sharing agreement pursuant to California Government Code §20516; whereby Police Mid Management employees agree to pay three percent (3%) of the employer’s normal pension cost of CalPERS. The parties agree that should the parties negotiate the elimination of the three percent (3%) cost-sharing by the employee, the corresponding three percent (3%) salary adjustment is subject to reduction, elimination or change through the negotiation process.

1.8 Effective as soon as administratively possible after the approval of the MOU by the City Council, each member of this bargaining unit will receive 80 hours of non-cashable personal leave. The provisions in this paragraph sunset on June 30, 2019, and all leave must be used by December 31, 2019 or it will be forfeited. Employees hired prior to June 30, 2019 will be eligible for leave on a pro-rated basis.

1.7 Effective July 1, 2019, the City shall increase the salary ranges by four point three percent (4.3%). Effective October 21, 2019, the City shall increase the salary ranges by six percent (6.0%). Effective the first full pay period in January 2020, the City shall increase the salary ranges by four percent (4.0%). Effective with the first full pay period in July 2020 and July 2021, the City shall increase the salary ranges by three percent (3.0%).

ARTICLE II - UNIFORM ALLOWANCE

2.1 The City agrees to provide a uniform allowance of $950.00 annually.

2.2 The uniform allowance shall be paid bi-weekly in conjunction with regular pay checks.

2.3 The City agrees to repair or replace uniforms damaged or destroyed on duty unless gross negligence can be shown on the part of the employee. Receipts shall be required prior to reimbursement.

2.4 The City agrees to pay a one-time lump sum of $1,200 to offset the initial uniform and equipment costs required for a Motor Sergeant and to pay an additional $800 annual uniform allowance for those Sergeants assigned to Motors, paid bi-weekly in the employee’s normal payroll check. The one-time lump sum payment of $1,200 will only be paid if this is a first time assignment as a Motor Officer.

ARTICLE III – BI-LINGUAL PAY

3.1 Employees designated by the Department Head and approved by the City Manager who have passed a bi-lingual proficiency examination administered by the City shall receive a monthly bi-lingual premium of $150.00.
ARTICLE IV – COMPENSATORY TIME

4.1 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour of overtime time worked.

4.2 No more than two hundred forty (240) hours of compensatory time may be carried on the books at any time.

4.3 An employee’s decision to elect compensatory time instead of overtime pay is irrevocable.

4.4 Upon separation, the employee will be paid at the employee’s current hourly rate or the average of the last three years, whichever is higher, for the remaining compensatory balance.

4.5 Bargaining unit members shall be allowed to cash out up to a maximum of 100 hours of earned compensatory time off twice per year in April and October.

ARTICLE V – COURT TIME

5.1 Employees scheduled to make court appearances during off-duty hours, on scheduled days off, or when on graveyard shift, shall be compensated at the rate of time and one-half for actual hours involved in such appearances. In no event shall they be paid for less than four hours.

5.2 Court appearances which are within two hours of the beginning of a shift or within one hour of the end of the shift shall be compensated at the time and one-half rate. Such appearances shall be reported as contiguous shift extensions.

5.3 Cancellation of scheduled appearance must be made at least two hours before said scheduled appearance or the minimum four hours shall be paid.

5.4 Employees who receive a subpoena to appear in court, shall notify their supervisor of the appearance date and time in order to provide the Watch Commander time to review the schedule to determine if rest period time is required, or additional staff will be needed.

ARTICLE VI - LONGEVITY PAY

6.1 After completing ten years of service with the Lodi Police Department, employees shall receive an annual longevity pay in the amount of $1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Police Department. Employees who have completed twenty years of service with the Lodi Police Department will receive longevity pay in the amount of $3,000 in November of the year following completion of twenty full years of service and each year thereafter.
For the purposes of this article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Police Department) shall receive the longevity pay associated with their years of service with the Lodi Police Department.

The incentive in this Article is limited to employees hired prior to January 1, 2012.

ARTICLE VII – SPECIAL ASSIGNMENT PAY

7.1 Sworn employees assigned to SWAT or Sergeants assigned to the Detective Bureau, Motors, Explosive Ordinance Detail (EOD), or Office of Professional Standards (OPS) shall receive an allowance equal to 4.5% of their normal base pay. Effective October 8, 2018, the Lieutenant assigned to the Detective Bureau shall receive an allowance equal to 4.5% of normal base pay. It is mutually agreed that special assignments are at the sole discretion of the Police Chief. No employee has the right to such assignment. Employees in such positions acknowledge, as does the LPMO, that employees may be transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment.

ARTICLE VIII – OUT OF CLASS PAY

8.1 Employees in this bargaining unit who are designated by the Police Chief to work in a higher level classification shall be paid an additional 5% of the employee’s regular salary.

ARTICLE IX - CALL BACK PAY

9.1 Officers called to appear for work within two hours of the beginning of a shift, or one hour after the shift, shall receive overtime at the rate of time and one-half. Such appearances shall be reported as contiguous shift extensions. If the appearance begins more than two hours before or more than one hour after the scheduled shift, the employee will be credited a minimum of three hours at the time and one-half rate.

When an officer is ordered back to work on an “as soon as possible” basis and reports within thirty minutes, the officer shall be compensated from the time of the call.

ARTICLE X – WELLNESS PROGRAM

10.1 Employees in the bargaining unit will be eligible for a Wellness Program Incentive of $50.00 per month, paid in the employee’s regular payroll check on a bi-weekly basis, upon successfully passing an annual physical agility examination. The examination will be proctored by Human Resources.

Testing for Sworn employees within the bargaining unit will consist of the following four agility components:
• Fence Climb – Run 5 yards to a 6-foot solid fence, climb over fence, and continue running another 25 yards (must be completed with 19 seconds, employee allowed 2 attempts to complete the fence climb)
• Obstacle Course/Agility Run – Run a 99-yard obstacle course consisting of several sharp turn, a number of curb-height obstacles, and a 34-inch high obstacle that must be vaulted (must be completed within 28 seconds)
• Body Drag – Lift and drag a 165-pound lifelike dummy 32 feet (must be completed within 15 seconds)
• 500 yard run – Run 500 yards (must be completed within 2 minutes and 30 seconds)

Testing for Miscellaneous (non-sworn) employees in this bargaining unit that work in the jail will be the same or equivalent to those required by Standards and Training in Corrections (STC) or Board of State and Community Corrections (BSCC) as follows:

• Complete a 50-yard sprint (must be completed within 20 seconds)
• Demonstrate ability to drag a 165 lb. weight (dummy) for a distance of 20 feet or more over a carpeted or flat, mowed grass surface (must be completed within 30 seconds)
• Demonstrate ability to walk a total distance of 75 feet wearing a 30 pound air pack/backpack (use of a SCBA tank). (must be completed within 30 seconds)
• On a flat course starting 15 yards back from a flight of stairs or bleacher steps, walk or jog the 15 yards, climbing up 10 steps, then turn, climb back down the steps, and walk briskly or jog back to the starting point. Participant must hit every step up and back down. (must be completed within 30 seconds)

Employees must successfully pass each component within the prescribed time period to be eligible for the incentive. Employees who fail the examination will be allowed to re-test one time within 30 days of failing the examination. If the employee fails the re-test, the employee will not be eligible to re-test until the next scheduled annual examination.

Employees who are on vacation, injury leave, or modified duty and are not able to participate in the annual examination, will be given the opportunity to take the examination within 30 days of returning to full duty.

The first examination will be conducted no later than November 30, 2018 and will be conducted annually thereafter, except for re-testing as stated above. Employees who successfully pass the November 2018 examination will receive the Wellness Program Incentive retro-active to January 1, 2018; all others will receive the incentive effective the first of the pay period following successful completion of the examination.

Employees who fail the annual testing will lose the incentive until they successful pass the examination.

CHAPTER 2 – BENEFITS AND INSURANCES
ARTICLE XI – EMPLOYEE ASSISTANCE PROGRAM
11.1 Employees, their spouses, and dependent children are entitled to three (3) free visits per year per family member with a licensed clinical social worker through the Employee Assistance Program provided through the City. This may be supplemented by medical insurance after exhaustion of the three (3) free visits.

**ARTICLE XII - DEFERRED COMPENSATION**

12.1 Employees may participate in the City's Deferred Compensation Plan.

12.2 The City will match up to maximum of 3.0% of gross base salary.

**ARTICLE XIII - FLEXIBLE SPENDING ACCOUNT**

13.1 Employees shall have the option of participating in the Flexible Spending Account (Section 125 Plan). Employees may elect to participate in:

   a) Premium Conversion
   b) Non-reimbursed Health Care
   c) Dependent Care Reimbursement

13.2 Elections for the calendar year will be made each December, or if a change in family status occurs. Money not used by the end of each calendar year will be forfeited by the employee.

**ARTICLE XIV - CHIROPRACTIC**

14.1 Chiropractic services may be received by employees and dependents. This benefit allows up to a maximum of 40 visits per calendar year. Co-payments for services are $10.00.

**ARTICLE XV - EDUCATION INCENTIVE**

15.1 Education incentives will be available to eligible employees as follows:

   Bachelor’s Degree: $200.00 per month
   Advanced POST: $250.00 per month OR
   Supervisory POST: $350.00 per month OR
   Management POST: $450.00 per month

   POST incentives will be paid based upon the highest level certificate held.

**ARTICLE XVI - OVERTIME**

16.1 The following special provisions for the payment of overtime will apply to Police Sergeants and Police Lieutenants. Employees shall be compensated for overtime at the time and one-half rate for time worked due to emergencies. Emergencies shall be
determined by the appropriate department head and include but are not limited to such events as:

- The necessity to cover scheduled shifts;
- Direct supervision of crews assigned to work during normal days off to accommodate the public;
- Break down of equipment and/or systems requiring the presence of the mid-manager in order to restore service; or
- After-hours supervision of ongoing investigations.

16.2 Overtime pay shall not be paid for the following:

- Staff meetings;
- Special projects;
- Conferences and seminars - except as noted below;
- Appearances before City Council and commissions;
- Public information presentations; or
- Activities involved with the completion of normal activities or programs such as budgets, inventory, annual financial closings, labor negotiations, and recreation programs.

16.3 All overtime must be approved by the department head. Any deviations from these guidelines must be approved in advance by the department head and the City Manager.

16.4 Upon promotion into a Mid-Management position all previously accrued compensatory time must be paid or used prior to the promotion.

16.5 Police Lieutenants and Sergeants shall be compensated for overtime hours necessitated by attending State mandated training and for work on special events as designated by the Police Chief or Division Commander.

16.6 The classification of Police Captain is deemed exempt from overtime and is not eligible for overtime pay under this article unless such overtime is required during a declared state of emergency and expenditure is mandated for reimbursement to the City.

**ARTICLE XVII - RETIREMENT**

17.1 The City provides retirement benefits through the Public Employees Retirement System. Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 and deemed to be “classic” employees by PERS:

- **Public Safety/Sworn**
  - 3% @ 50 plan
  - 1959 Survivors Benefit – Third Level
  - Credit for Unused Sick Leave
  - Military Service Credit as Public Service
• Single Highest Year
• Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation

Miscellaneous Members
• 2% @ 55 plan
• 1959 Survivors Benefit – Third Level
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest three (3) year average
• Employee shall pay the full employee share of retirement costs as calculated by PERS (7%) in its annual actuarial valuation

17.2 For Public Safety employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

Public Safety/Sworn
• 3% @ 55 plan
• 1959 Survivor Benefit – Third Level
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest Three (3) Year Average
• Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation

Miscellaneous Members
• 2% @ 62 plan
• 1959 Survivors Benefit – Third Level
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest three (3) year average

17.3 For employees hired on or after January 1, 2013, the City agrees to provide the following PERS retirement program and to pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

Public Safety/Sworn
• 2.7% @ 57 plan
• 1959 Survivor Benefit – Third Level
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest Three (3) Year Average
• Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

Miscellaneous Members
• 2% @ 62 plan
• 1959 Survivors Benefit – Third Level
• Credit for Unused Sick Leave
• Military Service Credit as Public Service
• Highest three (3) year average
• Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

17.4 Effective as soon as administratively possible in accordance with California Government Code §20516 contract amendment process requirements, each classic employee in this bargaining unit shall pay three percent (3%) towards the employer’s share of CalPERS normal pension cost (cost-sharing). Employee contributions to the employer’s portion under this section are credited to each employee’s account. In exchange, the City shall provide a three percent (3%) salary adjustment. The parties agree that should the parties negotiate the elimination of the three percent cost sharing by the employee, the corresponding salary adjustment is subject to reduction, elimination or change through the negotiation process.

17.5 Effective July 1, 2019, all employees deemed as “new” Safety members under the Public Employees’ Pension Reform Act of 2013 (PEPRA), shall contribute on a pre-tax basis the greater of 12% or the Required PEPRA Member Contribution Rate as determined by CalPERS. Should the 12% contribution exceed the Required PEPRA Member Contribution Rate, the excess amount shall not be credited to the employee’s account. This amount shall not be credited towards the employee’s account.

17.6 Effective October 21, 2019, in accordance with California Government Code §20516, all employees in the bargaining unit shall pay an additional six percent (6%) towards the employer’s share of CalPERS normal pension cost (cost-sharing), in addition to previously agreed upon cost-sharing in Sections 17.4 and 17.5. Classic members shall pay a total of nine percent (9%) of the employer’s normal cost (cost-sharing); PEPRA members shall pay a total of six percent (6%) of the employer’s normal cost (cost-sharing). In addition to the 6% cost-sharing above, PEPRA members will contribute a minimum of twelve percent (12%) or the Required PEPRA Member Contribution Rate as determined annually by CalPERS. Employee contributions to the employer’s portion under this section are credited to each employee’s account.

17.7 Should a contract amendment with CalPERS not be finalized by October 21, 2019, beginning October 21, 2019, all employees in the bargaining unit shall contribute on a pre-tax basis an additional six percent (6%) to the PEPRA member Contribution Rate or the PERS employer contribution. This will be in addition to any contributions under Sections 17.4 and 17.5. This amount will be contributed by employees from October 21, 2019 until such time as a contract amendment with CalPERS is finalized. Amounts contributed under this section will not be credited to the employee’s account. Upon successful completion of a contract amendment with CalPERS, this Section 17.7 is null and void and Section 17.4 through Section 17.6 shall govern the employee’s contributions towards the employer’s normal costs.

ARTICLE XVIII - SICK LEAVE CONVERSION

18.1 Employees hired prior to July 1, 1994, after 10 years with the City and only upon retirement, may convert their accumulated sick leave time to medical insurance premiums under the following options:

OPTION #1 - "Bank"
The number of accumulated hours shall be reduced by 16-2/3% and the remaining balance converted into days. The days are then multiplied by the current monthly premium being paid by the City for the employee and, if applicable, his/her dependents. Fifty percent of that dollar amount will be placed into a "bank" to be used for medical insurance premiums for the employee, and if applicable, his/her dependents. For each year of employment over 10 years, 2.5% will be added to the 50% used in determining "bank" amount. Total premiums shall be paid from the Bank until its depletion, at which time the conversion benefit stops.

EXAMPLE:
Lt. John Smith retires with 25 years of service and 1800 hours of unused sick leave:

Sick Leave Hours - 1800 x 16⅔%(reduced per MOU) = 299.99
1800 minus 299.99 = 1500.01
1500.01 divided by 8 (coverage factor) = 187.5
187.50 times 87.5% (% of coverage) = 164.1
164.1 times 694.86(current medical premium) = $114,026.52

Employees may also use their banks money to purchase Dental and/or Vision Insurance at the current premiums until their bank is depleted.

OPTION #2 - "Conversion"
The number of accumulated hours shall be multiplied by 50% and converted to days. The City shall pay one month's premium for employee and dependents for each day after conversion. For each year of employment in excess of 10 years, 2.5% shall be added to the 50% before conversion. The amount of premium paid shall be the same as the premium paid by the City at the time of retirement, subject to the cap shown in Article XIX. Any differences created by an increase in premiums must be paid for by the employee.

EXAMPLE:
Lt. John Smith retires with 25 years of service and 1800 hours of unused sick leave:

Sick Leave Hours - 1800 divided by 8 (coverage factor) = 225
225 times 87.5 (% of coverage) = 196.88
196.88 divided by 12(yrs) = 16.4 total years of coverage

OPTION #3 – “Service Credit”
A retiring employee will be able to convert unused sick leave to service credit for CalPERS retirement purposes.

18.2 Employees hired after July 1, 1994 will not have the option of converting unused sick leave time into medical insurance premiums as referenced in OPTION 1-2. The only option available to these employees is OPTION #3 “Service Credit”.

18.3 In the event an active employee dies before retirement and that employee is vested in the Sick Leave Conversion program (10 years) the surviving dependents have an interest in one-half (1/2) the value of the “bank” as calculated in section 18.1.
18.4 The City shall allow a surviving dependent of a retiree enrolled in the Sick Leave Conversion program to purchase medical insurance at the employee only premium for the same period as if the retiree had not died.

18.5 A retiree or surviving dependent, upon expiration of City-paid coverage, if any, has the option of purchasing at the prevailing rate additional medical insurance for an unlimited amount of time.

18.6 Out of area retirees may receive reimbursement for medical insurance premiums up to the City's liability as specified in Section 18.1; Option #2.

18.7 Only one City employee may carry dependent coverage for another City employee, therefore, upon retirement the employee may re-enroll as an individual into the health plan in order to take advantage of the Sick Leave Conversion program.

18.8 A retiree or surviving dependent may purchase dental and vision insurance at the City group rate through the Sick Leave Conversion options.

ARTICLE XIX - MEDICAL INSURANCE

19.1 All employees are offered medical insurance for themselves and dependents through CalPERS medical plans.

If an employee waives medical insurance through the City, the employee may at their option take the following in cash or deposited into their deferred compensation account:

- $692.81 per month for Family
- $532.92 per month for Employee + 1
- $305.22 per month for Employee Only

In order to qualify for this provision, proof of group insurance must be provided to the City.

19.2 Effective January 1, 2018 July 1, 2019, City will pay a maximum of the following for each family category:

- $1,709.06 $1,794.51 per month for Family
- $1,344.66 $1,380.39 per month for Employee + 1
- $657.33 $690.20 per month for Employee Only

If employee selects a higher cost plan, employee will pay the difference as a payroll deduction.

19.3 LPMO shall allow a maximum of seven (7) City employees to become associate members of LPMO solely to allow access to health plans not otherwise available to non public safety members. Associate memberships shall be allotted on a first-come, first-served basis.
ARTICLE XX - DENTAL INSURANCE

20.1 Employees are provided fully paid family dental insurance.

20.2 Maximum benefits are $1,000 for each family member enrolled into the dental plan, per calendar year. There is a $25 deductible plus co-insurance features.

ARTICLE XXI - VISION INSURANCE

21.1 Employees are provided with family vision care insurance through Vision Service Plan. Services and amount of coverage are outlined in the VSP Summary of Benefits.

ARTICLE XXII - LIFE INSURANCE

22.1 Employees are provided with term life and accidental death/dismemberment insurance up to $25,000. These benefits decrease after age 70 on a sliding scale, depending on age.

22.2 Employees are provided with $100,000 of accident insurance while traveling on City business outside the City limits. Spouses are only covered while accompanying the City employee on City business, or while conducting business on behalf of the City.

ARTICLE XXIII - SURVIVORS MEDICAL BENEFITS

23.1 The City shall pay 100% of the premiums for health and dental benefits described in this MOU for the surviving spouse and any minor children of any Public Safety/Sworn member of the LPMO who is killed or dies during the performance of official duties. Premiums will be paid at the current rate in effect at the time of the member’s death. Premiums will continue to be paid by the City until such time as the surviving spouse is covered by other insurance or remarries, and for dependent children of the member killed in the line of duty until such time as either:

(1) the children become age 26, or

(2) the children are covered under other alternative medical coverage provided by and through the surviving spouse or the person who he/she remarries.

ARTICLE XXIV - TUITION REIMBURSEMENT

24.1 Tuition reimbursement will be provided as stated in the City’s current Tuition Reimbursement Policy. The City will not eliminate this policy during the term of this MOU.

CHAPTER 3 - LEAVES

ARTICLE XXV - VACATION LEAVE
25.1 Employees hired prior to July 1, 1994 shall receive the following vacation benefits:

Beginning with:

Date of Hire: 3.08 hours per pay period
6th year 4.62 hours per pay period
12th year 5.23 hours per pay period
15th year 6.16 hours per pay period
21st year 6.47 hours per pay period
22nd year 6.78 hours per pay period
23rd year 7.09 hours per pay period
24th year 7.40 hours per pay period
25th year 7.71 hours per pay period

25.2 Employees hired after July 1, 1994 shall receive the following vacation benefits:

Beginning with:

Date of Hire: 3.08 hours per pay period
6th year 4.62 hours per pay period
12th year 5.23 hours per pay period
15th year/above 6.16 hours per pay period

25.3 Employees promoting into a Mid-Management position will follow the vacation schedule referenced in articles 25.1, or 25.2, depending on their initial employment with the City.

25.4 Vacation leave shall be used in increments of not less than quarter hours. Employees may accumulate a maximum of twice the employee’s annual vacation accrual. If and when the accrual cap is reached, no additional vacation hours will be accumulated until the employee’s vacation usage brings the accumulated number of hours under the cap.

25.5 Employees shall be eligible to annually cash out all accrued vacation hours in excess of 80 hours in October of the calendar year.

**ARTICLE XXVI - ADMINISTRATIVE LEAVE**

26.1 Employees will be given 80 hours of administrative leave per calendar year, credited in January for purposes of use. Leave shall be taken in increments of not less than quarter hours. Balances must be used prior to December 30 or they will be lost.

26.2 New employees or employees becoming eligible due to a promotion receive administrative leave on a prorated basis, with six point six seven (6.67) hours granted for each full calendar month remaining in the calendar year with a maximum of 80 hours.
26.3 Employees separating mid-year will receive a cash pay out for unused Administrative Leave on a prorated basis in accordance with 26.2. Administrative leave used, but not accrued in accordance with 26.2 shall be repaid to City.

26.4 Employees are eligible to cash out up to 80 hours of their current Administrative Leave balance in any calendar year except in the months of May and June. A request to cash out Administrative Leave must be in writing and submitted to the Finance division.

**ARTICLE XXVII - HOLIDAYS**

27.1 All employees shall receive 135 hours of floating holidays.

27.2 All employees assigned to a 40 hour work week shall observe fixed holidays as shown:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 1</td>
</tr>
<tr>
<td>Martin Luther King Jr. Day</td>
<td>3rd Monday in January</td>
</tr>
<tr>
<td>Presidents Day</td>
<td>3rd Monday in February</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Last Monday in May</td>
</tr>
<tr>
<td>Independence Day</td>
<td>July 4th</td>
</tr>
<tr>
<td>Labor Day</td>
<td>1st Monday in September</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>4th Thursday in November</td>
</tr>
<tr>
<td>Day after Thanksgiving</td>
<td>Friday following Thanksgiving Day</td>
</tr>
<tr>
<td>Last Half of Christmas Eve Day</td>
<td>December 24th</td>
</tr>
<tr>
<td>Christmas Day</td>
<td>December 25th</td>
</tr>
</tbody>
</table>

27.3 Holiday hours shall be taken in increments of not less than quarter hours.

27.4 If holiday time is not used by the end of the calendar year, any remaining hours will be cashed out to the employee in the first pay period in January.

27.5 If hired or separated mid-year, employee shall be credited or debited with fixed holidays remaining plus floating holidays per the following schedule:

<table>
<thead>
<tr>
<th>Four Floating Holidays:</th>
<th>Hours added</th>
<th>Hours Subtracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Month Hired or Separated</td>
<td>Jan  Feb  March</td>
<td>40  30</td>
</tr>
<tr>
<td></td>
<td>April  May  June</td>
<td>30  20</td>
</tr>
<tr>
<td></td>
<td>July  Aug  Sept</td>
<td>20  10</td>
</tr>
<tr>
<td></td>
<td>Oct  Nov  Dec</td>
<td>10  0</td>
</tr>
</tbody>
</table>

27.6 Effective January 1, 2019, all employees in the bargaining unit will receive a bank of 135 hour of holiday leave and will no longer observe the City’s fixed holiday schedule listed in 27.2. If holiday leave is not used by the end of the calendar year, any remaining hours will be cashed out to the employee in the last pay check in December of that calendar year. Employees hired or separated mid-year shall be credited or debited with 5.19 hours per remaining full pay period in the calendar year.
ARTICLE XXVIII - SICK LEAVE

28.1 Sick Leave is earned at the rate of 5.54 hours per pay period with no limit on the amount that can be accrued. Sick leave shall be taken in increments of not less than quarter hours.

ARTICLE XXIX – FAMILY AND MEDICAL LEAVE

29.1 The City will comply with the requirements of the federal Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act of 1993 (CFRA), as defined in California Government Code Sections 12945 et seq. and reflected in the City’s Policy and Procedures Manual.

ARTICLE XXX - CATASTROPHIC LEAVE

30.1 Catastrophic leave is available to employees in accordance with the City’s current Catastrophic Leave policy.

ARTICLE XXXI - BEREAVEMENT LEAVE

31.1 Bereavement leave is available to employees in accordance with the City’s current Bereavement Leave policy.

ARTICLE XXXII – LEAVES OF ABSENCE

32.1 Leaves of Absence are available to employees in accordance with the City’s current Leave of Absence policy.

CHAPTER 4 - ORGANIZATION/CITY ISSUES

ARTICLE XXXIII - PROBATION

33.1 Employees have a probationary period of one year. During probation, new hires have the same rights and privileges as regular employees, except that:

• City and employee may mutually agree to an extension of the probationary period up to six additional months.

• Employee serves “at will” and rejection during probation cannot be grievances.

New hires and promotional appointments shall be eligible for a merit increase at the completion of probation.

ARTICLE XXXIV - PERSONAL LIABILITY
34.1 Employees shall be indemnified and held harmless by the City against all costs, legal expenses, and liability arising out of decisions made in their capacity for the City and/or from any cause of action for property damage, or damages for personal injury, including death, sustained by person(s) as a result of a decision made in their capacity, except that:

A. The City is not required to but may provide for the defense of an action or proceeding brought against an employee or former employee if the City determines that:

1. The act or omissions was not within the scope of their employment; or
2. They acted or failed to act because of actual fraud, corruption, or actual malice; or
3. The defense of the action or proceeding by the City would create a conflict of interest between the City and the employee or former employee.

B. The City is not required to but may pay any claim of judgment for punitive or exemplary damages under the following circumstances:

1. The judgment is based on an act or omission of an employee or former employee acting within the course and scope of their employment as an employee of the City.
2. At the time of the act giving rise to the liability, the employee or former employee acted, or failed to act, in good faith, without actual malice and in the apparent best interests of the City.
3. Payment of the claim of judgment would be in the best interests of the City.

ARTICLE XXXV - GRIEVANCE PROCEDURE

35.1 Disputes involving the following subjects shall be determined by the Grievance Procedures established herein:

A. Interpretation or application of any of the terms of this agreement, including Exhibits thereto, Letter of Agreement, and formal interpretations and clarifications executed by the Association and City.

B. Disputes as to whether a matter is proper subject for the Grievance Procedure.

C. Disputes which may be of a “class action” nature filed on behalf of the Association or the City.

35.2 Class action Grievances shall be submitted in writing from the LPMO’s President to the City Manager or vice versa.

35.3 **STEP ONE**
Discussion between the employee, the Association Representative and the Department Head, who will answer within fifteen work days. This step shall be taken within thirty days of the date of the action complained of, or the date the grievant became aware of the incident which is the basis of the grievance.

19
35.4 **STEP TWO**
If a grievance is not resolved in Step One, Step Two shall be the presentation of the grievance by the Association Representative, in writing, to the City Manager who shall answer, in writing, within fifteen work days of receipt of the grievance, the City Manager’s decision shall be final and binding regarding the City’s Administrative Process.

**ARTICLE XXXVI - DISCIPLINARY PROCEDURE**

36.1 Basis: The City may discipline any employee in City service. Discipline may include discharge, demotion, suspension, reduction in pay, or oral or written reprimand. Only regular employees shall have the right to hearing and appeal as described in this section.

36.2 FLSA Exempt Employees: With respect to employees in classification deemed exempt from the overtime requirements of the Fair Labor Standards Act (“FLSA”) disciplinary suspensions pursuant to this policy shall be administered in accordance with the salary basis test under the FLSA’s governing regulations.

36.3 Cause: Causes for discipline of any regular employee shall follow the listing of causes noted in the City’s Rules for Personnel Administration, as well as the following causes:

A. Discrimination, including harassment, against other employees or members of the public on the basis of race, color, national origin, religious creed, ancestry, sex, sexual preference, marital status, age or physical handicap.

B. Unauthorized possession or use of controlled substances or alcohol on City property and/or at the worksite.

36.4 Persons Authorized to Take Disciplinary Action: Employee discipline may be initiated by the City department head for cause against any employee under his/her supervision. Disciplinary actions in the form of termination or discharge shall be subject to final approval from the City Manager.

36.5 Notice (except in the case of oral or written reprimand): Notice of Intended Disciplinary Action shall be prepared in writing by the department head or designee proposing the discipline and shall be served on the employee in person or by registered or certified mail. Notice shall be served prior to the action becoming effective; however, where circumstances require immediate removal of the employee from the workplace, notice shall be provided within two (2) working days from the date the employee is removed from the workplace. Employees so removed shall be placed on paid leave pending imposition of discipline. A copy of the Notice of Intended Disciplinary Action shall also be filed with the Human Resources Manager. The written Notice of Intended Disciplinary Action shall contain the following information:

1. The specific type of disciplinary action;
2. The effective date of the action;
3. The specific reason(s) or cause(s) for the actions;
4. Notice that the employee may inspect copies of all materials upon which the action is based, and

5. Notice that the employee has the right to respond orally or in writing within ten (10) days to the department head initiating the disciplinary action. No hearing before the City Manager is available to review oral or written reprimands.

An employee who responds orally or in writing to the department head shall be entitled to meet in an informal conference with the department head or designee and shall be given the opportunity to rebut the charges against him/her or to state any mitigating circumstances. In the case of oral or written reprimand, the department head’s decision shall be final. In the case of discharge, demotion, suspension, or reduction in pay, the department head or other City designee shall hear and consider the facts presented by the employee and shall thereafter submit a written recommendation to the City Manager to either impose, rescind or modify the proposed disciplinary action. The recommended proposed disciplinary action shall also be served on the employee. The recommendation shall contain:

6. The specific type of disciplinary action;
7. The specific reason(s) or cause(s) for the actions;

36.6 Final Notice of Disciplinary Action: Following review of the department head’s recommendation and the determination by the City Manager, the City Manager shall prepare a Final Notice of Disciplinary Action, advising the employee of the action to be taken, its effective date, and the employee’s appeal rights.

1. Disciplinary action shall become effective on the date stated in the Final Notice of Disciplinary Action, unless the date is otherwise extended by the City Manager.

2. The City Manager shall file a copy of the Final Notice of Disciplinary Action with the Human Resources Director. The Final Notice of Disciplinary Action shall be delivered personally to the employee or shall be sent by registered or certified mail.

36.7 Appeal of Disciplinary Action: In the event of a demotion, suspension or dismissal, and the affected employee is not satisfied with the decision rendered by the City Manager, the employee may appeal the decision. The employee may appeal disciplinary decisions by filing a written appeal with the Human Resources Director within fifteen (15) work days following service of the Final Notice of Disciplinary Action. The written appeal shall contain a written reply to the charges against the employee and written request for an appeal hearing. The employee shall submit a copy of the appeal to the City Manager.

36.8 If an employee submits an appeal, the City shall refer the case to a neutral hearing officer selected through the California State Mediation and Conciliation Services to hear the appeal and submit an advisory decision to the City Manager. Selection of the hearing officer shall be made by the parties’ mutually selecting a list of 7 neutral hearing officers from the office of the California State Mediation and Conciliation Services. Absent mutual agreement on a name on the list, the parties will strike names from the list for final selection of the hearing officer. The selected hearing officer shall adhere to the following standard of review and hearing procedures:
1. The appeal hearing shall be informal and strict rules of evidence shall not apply.

2. The parties will have the right to present and cross-examine witnesses, issue opening and closing statements, and file written closing briefs. Witness testimony shall be under oath or affirmation.

3. The hearing officer may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.

4. Attendance at the appeal hearing shall be limited to those determined by the hearing officer to have a direct connection with the appeal. Witnesses normally would be present at the hearing only while testifying and should be permitted to testify only in the presence of the employee or his/her representatives and the City’s representatives.

5. The appeal hearing will be held on the City’s premises.

6. In conducting the appeal, the hearing officer’s authority/jurisdiction shall be limited to reviewing the factual basis supporting the discipline and determining that the factual basis was reached honestly, after a fair, appropriate and procedurally correct investigation and for reasons that were not arbitrary, discriminatory or pretextual. Should the hearing officer, conducting the review specified above, affirm the factual basis for the discipline decision, he/she may not substitute his/her judgment for that of management’s as to the level of discipline imposed. In the event the hearing officer finds that the level of discipline is excessive, he/she may submit an advisory opinion concerning what he/she feels would be the appropriate level of discipline to the City Manager. Should the hearing officer not affirm the factual basis for the discipline, the normal remedy will be to remand the matter to the decision level where the error occurred for reevaluation and/or correction consistent with the hearing officer’s findings. In such a case, the hearing officer will have the authority to retain jurisdiction over the appeal to ensure compliance with the remand decision.

7. The cost of the hearing officer shall be borne by the City. The parties will share equally the cost of the court reporter and each side will bear their respective costs of representation.

36.9 Any decision of the City Manager shall be final and binding.

36.10 Judicial review of any decision rendered under this section shall be governed by Code of Civil Procedure section 1094.5.

36.11 Notwithstanding anything in this MOU, all discipline under this MOU shall conform to the requirements of the Police Officers Bill of Rights for Public Safety members.

**ARTICLE XXXVII –CITY RIGHTS**

37.1 It is further understood and agree between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include but are not limited to, the exclusive rights to:
• Determine the methods, means, and personnel by which government operations are conducted
• Determine the mission of its constituent departments, commissions, and boards
• Set standards of service
• Determine the procedures and standards of selection for employment
• Direct its employees
• Maintain the efficiency of governmental operations
• Determine the methods, means, and personnel by which government operations are conducted
• Take all necessary actions to carry out its mission in emergencies
• Exercise complete control and discretion and the technology of performing its work.

City Rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to make and enforce standards of conduct and discipline, and to determine the content of job classifications; provides, however, that nothing herein may be read to extend the term of the MOU nor to supplement negotiations as a means for arriving at terms for a successor MOU.

ARTICLE XXXVIII – EMPLOYEE REPRESENTATION

38.1 This Memorandum of Understanding (MOU) is entered into between representatives of the City of Lodi (City) and representatives of the Lodi Police Mid-Management Organization (LPMO).

The parties hereto acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq., of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth herein.

Both parties each certify without reservation that an adequate opportunity has been afforded its bargaining representatives to propose and vigorously advocate all negotiable subject matter during the course of collective bargaining preparatory to signing this agreement. The City will meet and confer before changing a policy or rule that is subject to meet and confer under the Meyers-Milius-Brown Act (MMBA).

The terms and conditions of this MOU shall continue in effect during the term of this MOU.

The City and the LPMO agree and understand that if any section of the MOU conflicts with the terms and conditions of employment stated in other authorities, such as personnel rules, administrative policy and procedure, city resolutions, or city ordinances, etc. any ambiguity will be resolved in favor of the MOU language. If the MOU is silent on any issue, the applicable document (i.e. policy manual or rules for personnel administration) is controlling. State and Federal laws will be adhered to.

The City agrees to recognize LPMO representatives for the purpose of representing members of the LPMO on all matters relating to the administration of this MOU, and
upon the request of an employee, on adverse actions and other matters which may be or are on appeal in accordance with the discipline article of this MOU.

**ARTICLE XXXIX - EMPLOYEE RIGHTS**

39.1 The City agrees that all disciplinary actions shall be taken in a timely manner, recognizing that imposing discipline, grieving such discipline, investigations, and criminal proceedings may preclude timely action. This process also includes investigations of the complaint, recommending discipline to the office of the Police Chief, and the imposition of discipline.

39.2 The City shall abide by the Public Safety Officers Procedural Bill of Rights (Government Code Section 3300 et seq.), and such is hereby incorporated into this MOU.

39.3 It is understood by both parties that the LPMO, in addition to any other rights herein specified, has the following rights:

1. To represent its members before the City regarding wages, hours, and other terms and conditions of employment

2. To receive timely written notice of changes to or adoption of any rule or regulation directly relating to wages, hours and other terms and conditions of employment.

3. With an employee’s written consent, an authorized LPMO representative shall be permitted, upon request, to inspect the employee’s official departmental personnel file during normal business hours. Such review shall not interfere with normal business of the Department.

The City agrees to recognize the LPMO representatives for the purpose of representing employees on all matters relating to the administration of this MOU; and, upon the request of an employee on adverse actions and other matters which may be or are on appeal in accordance with Article XXXVI of this MOU.

39.4 The City agrees to provide each represented employee with copies of special orders, general orders, training bulletins, departmental rules and regulations, and a copy of this MOU.

39.5 The City agrees not to interfere or in any way discriminate against an employee for exercising his/her right to belong to an employee organization or to exercise his/her rights under this MOU. The LPMO similarly agrees that it will not interfere with or discriminate against employees for exercising rights to belong or refrain from belonging to, supporting, or participating in the activities of an employee organization.

39.6 Both the City and the LPMO agree that no employee shall be subjected to any discrimination by the City or fellow employees in any matter relating to hiring, promotion, assignment, wages, or conditions or employment because of age, sex, creed, color, or national origin. Alleged discriminatory acts are subject to the City’s Policy and Procedure regarding Discrimination, not the grievance procedure.
ARTICLE XXXX – REST PERIOD

40.1 The intent of the rest period is to ensure that the employee is adequately rested for his/her assigned work shift.

   a. Employees will receive a continuous eight hour rest period immediately preceding or immediately following their scheduled court appearance or other departmental assignment(s), if less than eight hours has elapsed during:
      1) the time period that employee’s regular work shift ends and his/her scheduled appearance/assignment time; or
      2) the time period that officer is dismissed and his/her regular work shift begins.

   This rest period will not be charged to the employee.

   b. If an employee receives approval to take the remaining portion of his or her scheduled shift off, the employee’s leave balances will be charged for the entire shift (as if no rest period has occurred).

   c. The rest period does not apply when an employee is scheduled for court or appearance/assignment the day immediately following a day off.

ARTICLE XXXXI - CHANGES IN THE MOU

41.1 The City and the LPMO agree to reopen this MOU and to renew Meeting and Conferring on the subjects set forth herein during the term of this MOU in the event that any provision of this MOU is modified by statute or by a competent order of a court in such a way as to affect either the employees or the City. In such event, all remaining provisions of the MOU shall continue in full force and effect unless and until they are also modified by statute or competent order of a court or agreement of the City and the LPMO.

ARTICLE XXXXII - SEVERABILITY

42.1 In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

CHAPTER 5 – WORK HOURS

ARTICLE XXXXIII - HOURS OF WORK

43.1 Employees shall work a “4/10” plan. Alternate work schedules may be developed and authorized by the Police Chief.

43.2 It is mutually agreed that the City has the sole right to assign personnel, to establish hours of work and work schedules, to make changes to those schedules, to schedule employees
off on compensatory time, and to schedule holidays and vacations, all depending on the needs of service.

43.3 The City and LPMO mutually agree that split shifts are very stressful and may cause health problems. Consequently, supervisors and managers shall not work split shifts except during cases of an emergency nature.

43.4 All employees in the classification of Police Lieutenant or Police Sergeant assigned to Patrol shall select annually, beginning in the month of April, for at least a one year period, their preferred team assignment, days off sequence, holidays, and vacations on the basis of their seniority and the needs of the service. Seniority shall be defined as follows: Total time in service in the classification rank. Should a member of the LPMO leave membership for any reason and return to membership within twelve months, seniority shall be as if the member never left.
## SCHEDULE A

### Police Mid-Management Positions

**Effective October 8, 2018** to **July 1, 2019 (4.3%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>126,409.97</td>
<td>132,730.32</td>
<td>139,366.90</td>
<td>146,335.16</td>
<td>153,651.95</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>105,341.67</td>
<td>110,608.63</td>
<td>116,139.06</td>
<td>121,946.05</td>
<td>128,043.28</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>87,784.74</td>
<td>92,173.79</td>
<td>96,782.50</td>
<td>101,621.65</td>
<td>106,702.81</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>68,060.02</td>
<td>71,463.13</td>
<td>75,036.29</td>
<td>78,788.07</td>
<td>82,727.46</td>
</tr>
</tbody>
</table>

**Effective October 21, 2019 (6.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>133,994.57</td>
<td>140,694.14</td>
<td>147,728.91</td>
<td>155,115.27</td>
<td>162,871.07</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>111,662.17</td>
<td>117,245.15</td>
<td>123,107.40</td>
<td>129,262.81</td>
<td>135,725.88</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>93,051.82</td>
<td>97,704.22</td>
<td>102,589.45</td>
<td>107,718.95</td>
<td>113,104.98</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>72,143.62</td>
<td>75,750.92</td>
<td>79,538.47</td>
<td>85,515.35</td>
<td>87,691.11</td>
</tr>
</tbody>
</table>

**Effective the first full pay-period in January 2020 (4.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>139,354.35</td>
<td>146,321.91</td>
<td>153,638.07</td>
<td>161,319.88</td>
<td>169,385.91</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>116,128.66</td>
<td>121,934.96</td>
<td>128,031.70</td>
<td>134,433.32</td>
<td>141,154.92</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>96,773.89</td>
<td>101,612.39</td>
<td>106,693.03</td>
<td>112,027.71</td>
<td>117,629.18</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>75,029.36</td>
<td>78,780.96</td>
<td>82,720.01</td>
<td>86,855.96</td>
<td>91,198.75</td>
</tr>
</tbody>
</table>

**Effective the first full pay-period in July 2020 (3.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>143,534.98</td>
<td>150,711.57</td>
<td>158,247.21</td>
<td>166,159.48</td>
<td>174,467.49</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>119,612.52</td>
<td>125,593.01</td>
<td>131,872.65</td>
<td>138,466.32</td>
<td>145,389.57</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>99,677.11</td>
<td>104,660.76</td>
<td>109,893.82</td>
<td>115,388.54</td>
<td>121,158.06</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>77,280.24</td>
<td>81,144.39</td>
<td>85,201.61</td>
<td>89,461.64</td>
<td>93,934.71</td>
</tr>
</tbody>
</table>

**Effective the first full pay-period in July 2021 (3.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>147,841.03</td>
<td>155,232.92</td>
<td>162,994.63</td>
<td>171,144.26</td>
<td>179,701.51</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>123,200.90</td>
<td>129,360.80</td>
<td>135,828.83</td>
<td>142,620.31</td>
<td>149,751.26</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>102,667.42</td>
<td>107,800.58</td>
<td>113,190.63</td>
<td>118,850.20</td>
<td>124,792.80</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>79,598.65</td>
<td>83,578.72</td>
<td>87,757.66</td>
<td>92,145.49</td>
<td>96,752.75</td>
</tr>
</tbody>
</table>
LODI POLICE MID-MANAGEMENT ORGANIZATION

Fernando Martinez, Negotiator

Dated:__________________________

Sean Blandford, Negotiator

Dated:__________________________

Kevin Kent, Negotiator

Dated:__________________________

APPROVED AS TO FORM:

Janice D. Magdich, City Attorney

Attest:

Jennifer M. Ferraiolo, City Clerk

CITY OF LODI, a municipal corporation

Stephen Schwabauer, City Manager

Dated:__________________________

Andrew Keys, Deputy City Manager

Dated:__________________________

Adele Post, Human Resources Manager

Dated:__________________________

Janice D. Magdich, City Attorney

Attest:

Jennifer M. Ferraiolo, City Clerk
RESOLUTION NO. 2019-__

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE MEMORANDUM OF UNDERSTANDING WITH THE LODI POLICE MID-MANAGEMENT ORGANIZATION EFFECTIVE JULY 1, 2019 THROUGH JUNE 30, 2022

===============================================

WHEREAS, representatives from the City and the Lodi Police Mid-Management Organization (LPMO) have bargained in good faith and reached a tentative agreement on a successor Memorandum of Understanding (MOU); and

WHEREAS, it is recommended that Council approve revisions to the MOU with LPMO to include the following:

- Term: July 1, 2019 to June 30, 2022.
- Twenty and four tenths percent (20.4%) salary adjustment over the term of the contract as follows:
  - Four and four tenths percent (4.4%) retroactive to July 1, 2019.
  - Six percent (6.0%) effective November 4, 2019.
  - Four percent (4.0%) effective the first full pay period in January 2020.
  - Three percent (3.0%) effective the first full pay period in July 2020.
  - Three percent (3.0%) effective the first full pay period July 2021.
- Six percent (6%) cost sharing participation in the City’s Normal Cost contribution to CalPERS for both Classic and PEPRA members. Cost sharing will be effective November 4, 2019. This is in addition to cost sharing negotiated during the previous contract.
- Longevity pay of $1,500 annually for ten (10) years of service and $3,000 for twenty (20) years of service for employees hired July 10, 2012 and thereafter.
- Five percent (5%) increase in the City’s contribution towards medical insurance premiums for consistency with the POA.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the attached MOU (Exhibit A) between City of Lodi and LPMO, effective July 1, 2019 through June 30, 2022.

Date: July 17, 2019

===============================================

I hereby certify that Resolution No. 2019-__ was passed and adopted by the Lodi City Council in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLO
City Clerk

2019-____
MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF LODI

AND

LODI POLICE MID-MANAGEMENT ORGANIZATION
(LPMO)

JULY 1, 2019 – JUNE 30, 2022
# Table of Contents

## CHAPTER 1 – SALARIES AND OTHER COMPENSATION

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Salary and Term</td>
<td>4</td>
</tr>
<tr>
<td>II</td>
<td>Uniform Allowance</td>
<td>5</td>
</tr>
<tr>
<td>III</td>
<td>Bi-lingual Pay</td>
<td>5</td>
</tr>
<tr>
<td>IV</td>
<td>Compensatory Time</td>
<td>5</td>
</tr>
<tr>
<td>V</td>
<td>Court Time</td>
<td>6</td>
</tr>
<tr>
<td>VI</td>
<td>Longevity Pay</td>
<td>6</td>
</tr>
<tr>
<td>VII</td>
<td>Special Assignment Pay</td>
<td>6</td>
</tr>
<tr>
<td>VIII</td>
<td>Out of Class Pay</td>
<td>7</td>
</tr>
<tr>
<td>IX</td>
<td>Call Back Pay</td>
<td>7</td>
</tr>
<tr>
<td>X</td>
<td>Wellness Program</td>
<td>7</td>
</tr>
</tbody>
</table>

## CHAPTER 2 – BENEFITS AND INSURANCE

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>XI</td>
<td>Employee Assistance Program</td>
<td>8</td>
</tr>
<tr>
<td>XII</td>
<td>Deferred Compensation</td>
<td>8</td>
</tr>
<tr>
<td>XIII</td>
<td>Flexible Spending Account</td>
<td>8</td>
</tr>
<tr>
<td>XIV</td>
<td>Chiropractic</td>
<td>9</td>
</tr>
<tr>
<td>XV</td>
<td>Education Incentive</td>
<td>9</td>
</tr>
<tr>
<td>XVI</td>
<td>Overtime</td>
<td>9</td>
</tr>
<tr>
<td>XVII</td>
<td>Retirement</td>
<td>10</td>
</tr>
<tr>
<td>XVIII</td>
<td>Sick Leave Conversion</td>
<td>12</td>
</tr>
<tr>
<td>XIX</td>
<td>Medical Insurance</td>
<td>14</td>
</tr>
<tr>
<td>XX</td>
<td>Dental Insurance</td>
<td>14</td>
</tr>
<tr>
<td>XXI</td>
<td>Vision Insurance</td>
<td>14</td>
</tr>
<tr>
<td>XXII</td>
<td>Life Insurance</td>
<td>14</td>
</tr>
<tr>
<td>XXIII</td>
<td>Survivors Medical Benefits</td>
<td>15</td>
</tr>
<tr>
<td>XXIV</td>
<td>Tuition Reimbursement</td>
<td>15</td>
</tr>
</tbody>
</table>

## CHAPTER 3 – LEAVES

<table>
<thead>
<tr>
<th>Article</th>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>XXV</td>
<td>Vacation Leave</td>
<td>15</td>
</tr>
<tr>
<td>XXVI</td>
<td>Administrative Leave</td>
<td>16</td>
</tr>
<tr>
<td>XXVII</td>
<td>Holidays</td>
<td>16</td>
</tr>
<tr>
<td>XXVIII</td>
<td>Sick Leave</td>
<td>17</td>
</tr>
<tr>
<td>XXIX</td>
<td>Family and Medical Leave</td>
<td>17</td>
</tr>
<tr>
<td>XXX</td>
<td>Catastrophic Leave</td>
<td>17</td>
</tr>
<tr>
<td>XXXI</td>
<td>Bereavement Leave</td>
<td>18</td>
</tr>
<tr>
<td>XXXII</td>
<td>Leaves of Absence</td>
<td>18</td>
</tr>
</tbody>
</table>
# CHAPTER 4 – ORGANIZATION / CITY ISSUES

| Article XXXIII | Probation       | 18 |
| Article XXXIV  | Personal Liability | 18 |
| Article XXXV   | Grievance Procedure | 19 |
| Article XXXVI  | Disciplinary Procedure | 19 |
| Article XXXVII | City Rights      | 22 |
| Article XXXVIII | Employee Representation | 23 |
| Article XXXIX  | Employee Rights  | 23 |
| Article XXXX   | Rest Period      | 24 |
| Article XXXXI  | Changes in MOU   | 25 |
| Article XXXXII | Severability     | 25 |

# CHAPTER 5 – WORK HOURS

| Article XXXXIII | Hours of Work | 25 |

Attachment A | Salary Schedule | 26 |
City of Lodi

And

Lodi Police Mid-Management Organization

July 1, 2019 – June 30, 2022

CHAPTER 1 - SALARIES AND OTHER COMPENSATION

ARTICLE I - SALARY AND TERM

1.1 The City of Lodi (City) and the Lodi Police Mid-Management Organization (LPMO) mutually agree the Lieutenant position is the benchmark position for all sworn members of this bargaining unit for determining employee’s compensation.

1.2 Sergeant’s salary will be calculated by dividing the Lieutenants salary by 1.20, creating a 20% separation between Lieutenant and Sergeant.

1.3 Captain’s salary will be calculated by multiplying the Lieutenants salary by 1.20, creating a 20% separation between Lieutenant and Captain.

1.4 The terms and conditions of this MOU shall continue in effect during the term of this MOU. The City and LPMO agree that the term is July 1, 2019 through June 30, 2022.

1.5 The City and the LPMO agree to commence negotiations no later than (3) months prior to the expiration of the MOU.

1.6 Although the City is not required to perform or act on a salary survey during the term of this MOU, in the event a salary survey is performed, the City and the LPMO agree that the salary survey cities shall be as follows:

*Chico  *Merced  *Tracy  
*Clovis  *Modesto  *Turlock  
*Davis  *Redding  *Vacaville  
*Fairfield  *Roseville  *Visalia  
*Manteca  *Stockton  *Woodland

Salary surveys shall include the following areas of compensation:

- Salary
- PERS employee contribution paid by employer
- Health Care Contribution paid by employer
- Education Incentives
- POST Certificate Pay
- Longevity Pay
Deferred Compensation Contribution

1.7 Effective July 1, 2019, the City shall increase the salary ranges by four point three percent (4.3%). Effective October 21, 2019, the City shall increase the salary ranges by six percent (6.0%). Effective the first full pay period in January 2020, the City shall increase the salary ranges by four percent (4.0%). Effective with the first full pay period in July 2020 and July 2021, the City shall increase the salary ranges by three percent (3.0%).

ARTICLE II - UNIFORM ALLOWANCE

2.1 The City agrees to provide a uniform allowance of $950.00 annually.

2.2 The uniform allowance shall be paid bi-weekly in conjunction with regular pay checks.

2.3 The City agrees to repair or replace uniforms damaged or destroyed on duty unless gross negligence can be shown on the part of the employee. Receipts shall be required prior to reimbursement.

2.4 The City agrees to pay a one-time lump sum of $1,200 to offset the initial uniform and equipment costs required for a Motor Sergeant and to pay an additional $800 annual uniform allowance for those Sergeants assigned to Motors, paid bi-weekly in the employee’s normal payroll check. The one-time lump sum payment of $1,200 will only be paid if this is a first time assignment as a Motor Officer.

ARTICLE III – BI-LINGUAL PAY

3.1 Employees designated by the Department Head and approved by the City Manager who have passed a bi-lingual proficiency examination administered by the City shall receive a monthly bi-lingual premium of $150.00.

ARTICLE IV – COMPENSATORY TIME

4.1 Employees may accrue compensatory time in lieu of overtime pay. The accrual rate for compensatory time shall be one and one-half hours for each hour of overtime time worked.

4.2 No more than two hundred forty (240) hours of compensatory time may be carried on the books at any time.

4.3 An employee’s decision to elect compensatory time instead of overtime pay is irrevocable.

4.4 Upon separation, the employee will be paid at the employee’s current hourly rate or the average of the last three years, whichever is higher, for the remaining compensatory balance.
4.5 Bargaining unit members shall be allowed to cash out up to a maximum of 100 hours of earned compensatory time off twice per year in April and October.

**ARTICLE V – COURT TIME**

5.1 Employees scheduled to make court appearances during off-duty hours, on scheduled days off, or when on graveyard shift, shall be compensated at the rate of time and one-half for actual hours involved in such appearances. In no event shall they be paid for less than four hours.

5.2 Court appearances which are within two hours of the beginning of a shift or within one hour of the end of the shift shall be compensated at the time and one-half rate. Such appearances shall be reported as contiguous shift extensions.

5.3 Cancellation of scheduled appearance must be made at least two hours before said scheduled appearance or the minimum four hours shall be paid.

5.4 Employees who receive a subpoena to appear in court, shall notify their supervisor of the appearance date and time in order to provide the Watch Commander time to review the schedule to determine if rest period time is required, or additional staff will be needed.

**ARTICLE VI - LONGEVITY PAY**

6.1 After completing ten years of service with the Lodi Police Department, employees shall receive an annual longevity pay in the amount of $1,500 in November of the year following completion of ten years of service and each year thereafter until completing twenty years of service with the Lodi Police Department. Employees who have completed twenty years of service with the Lodi Police Department will receive longevity pay in the amount of $3,000 in November of the year following completion of twenty full years of service and each year thereafter.

For the purposes of this article, all employees who as of October 31st meet the service level requirements (either ten full years or twenty full years from the first day of the month in which they started their employment with the City of Lodi Police Department) shall receive the longevity pay associated with their years of service with the Lodi Police Department.

**ARTICLE VII – SPECIAL ASSIGNMENT PAY**

7.1 Sworn employees assigned to SWAT or Sergeants assigned to the Detective Bureau, Motors, Explosive Ordinance Detail (EOD), or Office of Professional Standards (OPS) shall receive an allowance equal to 4.5% of their normal base pay. Effective October 8, 2018, the Lieutenant assigned to the Detective Bureau shall receive an allowance equal to 4.5% of normal base pay. It is mutually agreed that special assignments are at the sole discretion of the Police Chief. No employee has the right to such assignment. Employees in such positions acknowledge, as does the LPMO, that employees may be
transferred or reassigned from their position on a non-punitive basis and that they have no right to appeal from such transfer or reassignment.

**ARTICLE VIII – OUT OF CLASS PAY**

8.1 Employees in this bargaining unit who are designated by the Police Chief to work in a higher level classification shall be paid an additional 5% of the employee’s regular salary.

**ARTICLE IX - CALL BACK PAY**

9.1 Officers called to appear for work within two hours of the beginning of a shift, or one hour after the shift, shall receive overtime at the rate of time and one-half. Such appearances shall be reported as contiguous shift extensions. If the appearance begins more than two hours before or more than one hour after the scheduled shift, the employee will be credited a minimum of three hours at the time and one-half rate.

When an officer is ordered back to work on an “as soon as possible” basis and reports within thirty minutes, the officer shall be compensated from the time of the call.

**ARTICLE X – WELLNESS PROGRAM**

10.1 Employees in the bargaining unit will be eligible for a Wellness Program Incentive of $50.00 per month, paid in the employee’s regular payroll check on a bi-weekly basis, upon successfully passing an annual physical agility examination. The examination will be proctored by Human Resources.

Testing for Sworn employees within the bargaining unit will consist of the following four agility components:

- Fence Climb – Run 5 yards to a 6-foot solid fence, climb over fence, and continue running another 25 yards (must be completed with 19 seconds, employee allowed 2 attempts to complete the fence climb)
- Obstacle Course/Agility Run – Run a 99-yard obstacle course consisting of several sharp turn, a number of curb- height obstacles, and a 34-inch high obstacle that must be vaulted (must be completed within 28 seconds)
- Body Drag – Lift and drag a 165-pound lifelike dummy 32 feet (must be completed within 15 seconds)
- 500 yard run – Run 500 yards (must be completed within 2 minutes and 30 seconds)

Testing for Miscellaneous (non-sworn) employees in this bargaining unit that work in the jail will be the same or equivalent to those required by Standards and Training in Corrections (STC) or Board of State and Community Corrections (BSCC) as follows:

- Complete a 50-yard sprint (must be completed within 20 seconds)
- Demonstrate ability to drag a 165 lb. weight (dummy) for a distance of 20 feet or more over a carpeted or flat, mowed grass surface (must be completed within 30 seconds)
Demonstrate ability to walk a total distance of 75 feet wearing a 30 pound air pack/backpack (use of a SCBA tank). (must be completed within 30 seconds)

- On a flat course starting 15 yards back from a flight of stairs or bleacher steps, walk or jog the 15 yards, climbing up 10 steps, then turn, climb back down the steps, and walk briskly or jog back to the starting point. Participant must hit every step up and back down. (must be completed within 30 seconds)

Employees must successfully pass each component within the prescribed time period to be eligible for the incentive. Employees who fail the examination will be allowed to re-test one time within 30 days of failing the examination. If the employee fails the re-test, the employee will not be eligible to re-test until the next scheduled annual examination.

Employees who are on vacation, injury leave, or modified duty and are not able to participate in the annual examination, will be given the opportunity to take the examination within 30 days of returning to full duty.

The first examination will be conducted no later than November 30, 2018 and will be conducted annually thereafter, except for re-testing as stated above. Employees who successfully pass the November 2018 examination will receive the Wellness Program Incentive retro-active to January 1, 2018; all others will receive the incentive effective the first of the pay period following successful completion of the examination.

Employees who fail the annual testing will lose the incentive until they successful pass the examination.

CHAPTER 2 – BENEFITS AND INSURANCES

ARTICLE XI – EMPLOYEE ASSISTANCE PROGRAM

11.1 Employees, their spouses, and dependent children are entitled to three (3) free visits per year per family member with a licensed clinical social worker through the Employee Assistance Program provided through the City. This may be supplemented by medical insurance after exhaustion of the three (3) free visits.

ARTICLE XII - DEFERRED COMPENSATION

12.1 Employees may participate in the City's Deferred Compensation Plan.

12.2 The City will match up to maximum of 3.0% of gross base salary.

ARTICLE XIII - FLEXIBLE SPENDING ACCOUNT

13.1 Employees shall have the option of participating in the Flexible Spending Account (Section 125 Plan). Employees may elect to participate in;

a) Premium Conversion
b) Non-reimbursed Health Care  
c) Dependent Care Reimbursement

13.2 Elections for the calendar year will be made each December, or if a change in family status occurs. Money not used by the end of each calendar year will be forfeited by the employee.

ARTICLE XIV - CHIROPRACTIC

14.1 Chiropractic services may be received by employees and dependents. This benefit allows up to a maximum of 40 visits per calendar year. Co-payments for services are $10.00.

ARTICLE XV - EDUCATION INCENTIVE

15.1 Education incentives will be available to eligible employees as follows:

- Bachelor's Degree: $200.00 per month
- Advanced POST: $250.00 per month OR
- Supervisory POST: $350.00 per month OR
- Management POST: $450.00 per month

POST incentives will be paid based upon the highest level certificate held.

ARTICLE XVI - OVERTIME

16.1 The following special provisions for the payment of overtime will apply to Police Sergeants and Police Lieutenants. Employees shall be compensated for overtime at the time and one-half rate for time worked due to emergencies. Emergencies shall be determined by the appropriate department head and include but are not limited to such events as:

- The necessity to cover scheduled shifts;
- Direct supervision of crews assigned to work during normal days off to accommodate the public;
- Break down of equipment and/or systems requiring the presence of the mid-manager in order to restore service; or
- After-hours supervision of ongoing investigations.

16.2 Overtime pay shall not be paid for the following:

- Staff meetings;
- Special projects;
- Conferences and seminars - except as noted below;
- Appearances before City Council and commissions;
- Public information presentations; or
• Activities involved with the completion of normal activities or programs such as budgets, inventory, annual financial closings, labor negotiations, and recreation programs.

16.3 All overtime must be approved by the department head. Any deviations from these guidelines must be approved in advance by the department head and the City Manager.

16.4 Upon promotion into a Mid-Management position all previously accrued compensatory time must be paid or used prior to the promotion.

16.5 Police Lieutenants and Sergeants shall be compensated for overtime hours necessitated by attending State mandated training and for work on special events as designated by the Police Chief or Division Commander.

16.6 The classification of Police Captain is deemed exempt from overtime and is not eligible for overtime pay under this article unless such overtime is required during a declared state of emergency and expenditure is mandated for reimbursement to the City.

ARTICLE XVII - RETIREMENT

17.1 The City provides retirement benefits through the Public Employees Retirement System. Employees shall receive the following retirement benefits. The following plan is available to employees hired prior to December 22, 2012 and deemed to be “classic” employees by PERS:

- 3% @ 50 plan
- 1959 Survivors Benefit – Third Level
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Single Highest Year
- Employee shall pay the full employee share of retirement costs (9%) as calculated by PERS in its annual actuarial valuation

For Public Safety employees hired after December 22, 2012 and deemed to be “classic” employees by PERS, the following retirement plan will apply:

- 3% @ 55 plan

Miscellaneous Members

- 2% @ 55 plan
- 1959 Survivors Benefit – Third Level
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest three (3) year average
- Employee shall pay the full employee share of retirement costs as calculated by PERS (7%) in its annual actuarial valuation
17.3 For employees hired on or after January 1, 2013, the City agrees to provide the following PERS retirement program and to pay the employer’s cost for employees deemed to be “new” employees by PERS under the Public Employee’s Pension Reform Act of 2013 (PEPRA):

Public Safety/Sworn

- 2.7% @ 57 plan
- 1959 Survivor Benefit – Third Level
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest Three (3) Year Average
- Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

Miscellaneous Members

- 2% @ 62 plan
- 1959 Survivor Benefit – Third Level
- Credit for Unused Sick Leave
- Military Service Credit as Public Service
- Highest three (3) year average
- Employee shall pay the full employee share of retirement costs as calculated by PERS in its annual actuarial valuation

17.4 Each classic employee in this bargaining unit shall pay three percent (3%) towards the employer’s share of CalPERS normal pension cost (cost-sharing). Employee contributions to the employer’s portion under this section are credited to each employee’s account.

17.5 Effective July 1, 2019, All employees deemed as “new” Safety members under the Public Employees’ Pension Reform Act of 2013 (PEPRA), shall contribute on a pre-tax basis the greater of 12% or the Required PEPRA Member Contribution Rate as determined by CalPERS. Should the 12% contribution exceed the Required PEPRA Member Contribution Rate, the excess amount shall not be credited to the employee’s account. This amount shall not be credited towards the employee’s account.

17.6 Effective October 21, 2019, in accordance with California Government Code §20516, all employees in the bargaining unit shall pay an additional six percent (6%) towards the employer’s share of CalPERS normal pension cost (cost-sharing), in additional to
previously agreed upon cost-sharing in Sections 17.4 and 17.5. Classic members shall pay a total of nine percent (9%) of the employer’s normal cost (cost-sharing); PEPRA members shall pay a total of six percent (6%) of the employer’s normal cost (cost-sharing). In addition to the 6% cost-sharing above, PEPRA members will contribute a minimum of twelve percent (12%) or the Required PEPRA Member Contribution Rate as determined annually by CalPERS. Employee contributions to the employer’s portion under this section are credited to each employee’s account.

17.7 Should a contract amendment with CalPERS not be finalized by October 21, 2019, beginning October 21, 2019, all employees in the bargaining unit shall contribute on a pre-tax basis an additional six percent (6%) to the PEPRA member Contribution Rate or the PERS employer contribution. This will be in addition to any contributions under Sections 17.4 and 17.5. This amount will be contributed by employees from October 21, 2019 until such time as a contract amendment with CalPERS is finalized. Amounts contributed under this section will not be credited to the employee’s account. Upon successful completion of a contract amendment with CalPERS, this Section 17.7 is null and void and Section 17.4 through Section 17.6 shall govern the employee’s contributions towards the employer’s normal costs.

ARTICLE XVIII - SICK LEAVE CONVERSION

18.1 Employees hired prior to July 1, 1994, after 10 years with the City and only upon retirement, may convert their accumulated sick leave time to medical insurance premiums under the following options:

OPTION #1 - "Bank"
The number of accumulated hours shall be reduced by 16-2/3% and the remaining balance converted into days. The days are then multiplied by the current monthly premium being paid by the City for the employee and, if applicable, his/her dependents. Fifty percent of that dollar amount will be placed into a "bank" to be used for medical insurance premiums for the employee, and if applicable, his/her dependents. For each year of employment over 10 years, 2.5% will be added to the 50% used in determining "bank" amount. Total premiums shall be paid from the Bank until its depletion, at which time the conversion benefit stops.

EXAMPLE:
Lt. John Smith retires with 25 years of service and 1800 hours of unused sick leave:

Sick Leave Hours - 1800 x 16⅔%(reduced per MOU) = 299.99
1800 minus 299.99 = 1500.01
1500.01 divided by 8 (coverage factor) = 187.5
187.50 times 87.5% (% of coverage) = 164.1
164.1 times 694.86(current medical premium) = $114,026.52

Employees may also use their banks money to purchase Dental and/or Vision Insurance at the current premiums until their bank is depleted.
OPTION #2 - "Conversion"

The number of accumulated hours shall be multiplied by 50% and converted to days. The City shall pay one month’s premium for employee and dependents for each day after conversion. For each year of employment in excess of 10 years, 2.5% shall be added to the 50% before conversion. The amount of premium paid shall be the same as the premium paid by the City at the time of retirement, subject to the cap shown in Article XIX. Any differences created by an increase in premiums must be paid for by the employee.

EXAMPLE:
Lt. John Smith retires with 25 years of service and 1800 hours of unused sick leave:

Sick Leave Hours - 1800 divided by 8 (coverage factor) = 225
225 times 87.5 (% of coverage) = 196.88
196.88 divided by 12(yrs) = 16.4 total years of coverage

OPTION #3 – “Service Credit”
A retiring employee will be able to convert unused sick leave to service credit for CalPERS retirement purposes.

18.2 Employees hired after July 1, 1994 will not have the option of converting unused sick leave time into medical insurance premiums as referenced in OPTION 1-2. The only option available to these employees is OPTION #3 “Service Credit”.

18.3 In the event an active employee dies before retirement and that employee is vested in the Sick Leave Conversion program (10 years) the surviving dependents have an interest in one-half (1/2) the value of the “bank” as calculated in section 18.1.

18.4 The City shall allow a surviving dependent of a retiree enrolled in the Sick Leave Conversion program to purchase medical insurance at the employee only premium for the same period as if the retiree had not died.

18.5 A retiree or surviving dependent, upon expiration of City-paid coverage, if any, has the option of purchasing at the prevailing rate additional medical insurance for an unlimited amount of time.

18.6 Out of area retirees may receive reimbursement for medical insurance premiums up to the City’s liability as specified in Section 18.1; Option #2.

18.7 Only one City employee may carry dependent coverage for another City employee, therefore, upon retirement the employee may re-enroll as an individual into the health plan in order to take advantage of the Sick Leave Conversion program.

18.8 A retiree or surviving dependent may purchase dental and vision insurance at the City group rate through the Sick Leave Conversion options.
ARTICLE XIX - MEDICAL INSURANCE

19.1 All employees are offered medical insurance for themselves and dependents through CalPERS medical plans.

If an employee waives medical insurance through the City, the employee may at their option take the following in cash or deposited into their deferred compensation account:
- $692.81 per month for Family
- $532.92 per month for Employee + 1
- $305.22 per month for Employee Only

In order to qualify for this provision, proof of group insurance must be provided to the City.

19.2 Effective July 1, 2019, City will pay a maximum of the following for each family category:
- $1,794.51 per month for Family
- $1,380.39 per month for Employee + 1
- $690.20 per month for Employee Only

If employee selects a higher cost plan, employee will pay the difference as a payroll deduction.

19.3 LPMO shall allow a maximum of seven (7) City employees to become associate members of LPMO solely to allow access to health plans not otherwise available to non-public safety members. Associate memberships shall be allotted on a first-come, first-served basis.

ARTICLE XX - DENTAL INSURANCE

20.1 Employees are provided fully paid family dental insurance.

20.2 Maximum benefits are $1,000 for each family member enrolled into the dental plan, per calendar year. There is a $25 deductible plus co-insurance features.

ARTICLE XXI - VISION INSURANCE

21.1 Employees are provided with family vision care insurance through Vision Service Plan. Services and amount of coverage are outlined in the VSP Summary of Benefits.

ARTICLE XXII - LIFE INSURANCE

22.1 Employees are provided with term life and accidental death/dismemberment insurance up to $25,000. These benefits decrease after age 70 on a sliding scale, depending on age.
22.2 Employees are provided with $100,000 of accident insurance while traveling on City business outside the City limits. Spouses are only covered while accompanying the City employee on City business, or while conducting business on behalf of the City.

ARTICLE XXIII - SURVIVORS MEDICAL BENEFITS

23.1 The City shall pay 100% of the premiums for health and dental benefits described in this MOU for the surviving spouse and any minor children of any Public Safety/Sworn member of the LPMO who is killed or dies during the performance of official duties. Premiums will be paid at the current rate in effect at the time of the member’s death. Premiums will continue to be paid by the City until such time as the surviving spouse is covered by other insurance or remarries, and for dependent children of the member killed in the line of duty until such time as either:

(1) the children become age 26, or

(2) the children are covered under other alternative medical coverage provided by and through the surviving spouse or the person who he/she remarries.

ARTICLE XXIV - TUITION REIMBURSEMENT

24.1 Tuition reimbursement will be provided as stated in the City’s current Tuition Reimbursement Policy. The City will not eliminate this policy during the term of this MOU.

CHAPTER 3 - LEAVES

ARTICLE XXV - VACATION LEAVE

25.1 Employees hired prior to July 1, 1994 shall receive the following vacation benefits:

Beginning with:

<table>
<thead>
<tr>
<th>Date of Hire</th>
<th>Vacation Hours per Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.08 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>4.62 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>5.23 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>6.16 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>6.47 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>6.78 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>7.09 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>7.40 hours per pay period</td>
<td></td>
</tr>
<tr>
<td>7.71 hours per pay period</td>
<td></td>
</tr>
</tbody>
</table>

25.2 Employees hired after July 1, 1994 shall receive the following vacation benefits:

Beginning with:
Date of Hire: 3.08 hours per pay period
6th year 4.62 hours per pay period
12th year 5.23 hours per pay period
15th year/above 6.16 hours per pay period

25.3 Employees promoting into a Mid-Management position will follow the vacation schedule referenced in articles 25.1, or 25.2, depending on their initial employment with the City.

25.4 Vacation leave shall be used in increments of not less than quarter hours. Employees may accumulate a maximum of twice the employee’s annual vacation accrual. If and when the accrual cap is reached, no additional vacation hours will be accumulated until the employee’s vacation usage brings the accumulated number of hours under the cap.

25.5 Employees shall be eligible to annually cash out all accrued vacation hours in excess of 80 hours in October of the calendar year.

ARTICLE XXVI - ADMINISTRATIVE LEAVE

26.1 Employees will be given 80 hours of administrative leave per calendar year, credited in January for purposes of use. Leave shall be taken in increments of not less than quarter hours. Balances must be used prior to December 30 or they will be lost.

26.2 New employees or employees becoming eligible due to a promotion receive administrative leave on a prorated basis, with six point six seven (6.67) hours granted for each full calendar month remaining in the calendar year with a maximum of 80 hours.

26.3 Employees separating mid-year will receive a cash pay out for unused Administrative Leave on a prorated basis in accordance with 26.2. Administrative leave used, but not accrued in accordance with 26.2 shall be repaid to City.

26.4 Employees are eligible to cash out up to 80 hours of their current Administrative Leave balance in any calendar year except in the months of May and June. A request to cash out Administrative Leave must be in writing and submitted to the Finance division.

ARTICLE XXVII - HOLIDAYS

27.1 All employees shall receive 135 hours of floating holidays.

27.2 All employees assigned to a 40 hour work week shall observe fixed holidays as shown:

<table>
<thead>
<tr>
<th>Holiday</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Year’s Day</td>
<td>January 1</td>
</tr>
<tr>
<td>Martin Luther King Jr. Day</td>
<td>3rd Monday in January</td>
</tr>
<tr>
<td>Presidents Day</td>
<td>3rd Monday in February</td>
</tr>
<tr>
<td>Memorial Day</td>
<td>Last Monday in May</td>
</tr>
<tr>
<td>Independence Day</td>
<td>July 4th</td>
</tr>
<tr>
<td>Labor Day</td>
<td>1st Monday in September</td>
</tr>
<tr>
<td>Thanksgiving Day</td>
<td>4th Thursday in November</td>
</tr>
</tbody>
</table>
Day after Thanksgiving - Friday following Thanksgiving Day
Last Half of Christmas Eve Day - December 24th
Christmas Day - December 25th

27.3 Holiday hours shall be taken in increments of not less than quarter hours.

27.4 If holiday time is not used by the end of the calendar year, any remaining hours will be cashed out to the employee in the first pay period in January.

27.5 If hired or separated mid-year, employee shall be credited or debited with fixed holidays remaining plus floating holidays per the following schedule:

Four Floating Holidays:

<table>
<thead>
<tr>
<th>Month Hired or Separated</th>
<th>Hours added</th>
<th>Hours Subtracted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan Feb March</td>
<td>40</td>
<td>30</td>
</tr>
<tr>
<td>April May June</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>July Aug Sept</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td>Oct Nov Dec</td>
<td>10</td>
<td>0</td>
</tr>
</tbody>
</table>

27.6 Effective January 1, 2019, all employees in the bargaining unit will receive a bank of 135 hour of holiday leave and will no longer observe the City’s fixed holiday schedule listed in 27.2. If holiday leave is not used by the end of the calendar year, any remaining hours will be cashed out to the employee in the last pay check in December of that calendar year. Employees hired or separated mid-year shall be credited or debited with 5.19 hours per remaining full pay period in the calendar year.

ARTICLE XXVIII - SICK LEAVE

28.1 Sick Leave is earned at the rate of 5.54 hours per pay period with no limit on the amount that can be accrued. Sick leave shall be taken in increments of not less than quarter hours.

ARTICLE XXIX – FAMILY AND MEDICAL LEAVE

29.1 The City will comply with the requirements of the federal Family and Medical Leave Act of 1993 (FMLA) and the California Family Rights Act of 1993 (CFRA), as defined in California Government Code Sections 12945 et seq. and reflected in the City’s Policy and Procedures Manual.

ARTICLE XXX - CATASTROPHIC LEAVE

30.1 Catastrophic leave is available to employees in accordance with the City’s current Catastrophic Leave policy.
ARTICLE XXXI - BEREAVEMENT LEAVE

31.1 Bereavement leave is available to employees in accordance with the City’s current Bereavement Leave policy.

ARTICLE XXXII – LEAVES OF ABSENCE

32.1 Leaves of Absence are available to employees in accordance with the City’s current Leave of Absence policy.

CHAPTER 4 - ORGANIZATION/CITY ISSUES

ARTICLE XXXIII - PROBATION

33.1 Employees have a probationary period of one year. During probation, new hires have the same rights and privileges as regular employees, except that:

- City and employee may mutually agree to an extension of the probationary period up to six additional months.
- Employee serves “at will” and rejection during probation cannot be grieved.

New hires and promotional appointments shall be eligible for a merit increase at the completion of probation.

ARTICLE XXXIV - PERSONAL LIABILITY

34.1 Employees shall be indemnified and held harmless by the City against all costs, legal expenses, and liability arising out of decisions made in their capacity for the City and/or from any cause of action for property damage, or damages for personal injury, including death, sustained by person(s) as a result of a decision made in their capacity, except that:

A. The City is not required to but may provide for the defense of an action or proceeding brought against an employee or former employee if the City determines that:

1. The act or omissions was not within the scope of their employment; or
2. They acted or failed to act because of actual fraud, corruption, or actual malice; or
3. The defense of the action or proceeding by the City would create a conflict of interest between the City and the employee or former employee.

B. The City is not required to but may pay any claim of judgment for punitive or exemplary damages under the following circumstances:
1. The judgment is based on an act or omission of an employee or former employee acting within the course and scope of their employment as an employee of the City.

2. At the time of the act giving rise to the liability, the employee or former employee acted, or failed to act, in good faith, without actual malice and in the apparent best interests of the City.

3. Payment of the claim of judgment would be in the best interests of the City.

**ARTICLE XXXV- GRIEVANCE PROCEDURE**

35.1 Disputes involving the following subjects shall be determined by the Grievance Procedures established herein:

A. Interpretation or application of any of the terms of this agreement, including Exhibits thereto, Letter of Agreement, and formal interpretations and clarifications executed by the Association and City.

B. Disputes as to whether a matter is proper subject for the Grievance Procedure.

C. Disputes which may be of a “class action” nature filed on behalf of the Association or the City.

35.2 Class action Grievances shall be submitted in writing from the LPMO’s President to the City Manager or vice versa.

35.3 **STEP ONE**

Discussion between the employee, the Association Representative and the Department Head, who will answer within fifteen work days. This step shall be taken within thirty days of the date of the action complained of, or the date the grievant became aware of the incident which is the basis of the grievance.

35.4 **STEP TWO**

If a grievance is not resolved in Step One, Step Two shall be the presentation of the grievance by the Association Representative, in writing, to the City Manager who shall answer, in writing, within fifteen work days of receipt of the grievance, the City Manager’s decision shall be final and binding regarding the City’s Administrative Process.

**ARTICLE XXXVI - DISCIPLINARY PROCEDURE**

36.1 Basis: The City may discipline any employee in City service. Discipline may include discharge, demotion, suspension, reduction in pay, or oral or written reprimand. Only regular employees shall have the right to hearing and appeal as described in this section.

36.2 FLSA Exempt Employees: With respect to employees in classification deemed exempt from the overtime requirements of the Fair Labor Standards Act (“FLSA”) disciplinary suspensions pursuant to this policy shall be administered in accordance with the salary basis test under the FLSA’s governing regulations.
36.3 Cause: Causes for discipline of any regular employee shall follow the listing of causes noted in the City’s Rules for Personnel Administration, as well as the following causes:

A. Discrimination, including harassment, against other employees or members of the public on the basis of race, color, national origin, religious creed, ancestry, sex, sexual preference, marital status, age or physical handicap.

B. Unauthorized possession or use of controlled substances or alcohol on City property and/or at the worksite.

36.4 Persons Authorized to Take Disciplinary Action: Employee discipline may be initiated by the City department head for cause against any employee under his/her supervision. Disciplinary actions in the form of termination or discharge shall be subject to final approval from the City Manager.

36.5 Notice (except in the case of oral or written reprimand): Notice of Intended Disciplinary Action shall be prepared in writing by the department head or designee proposing the discipline and shall be served on the employee in person or by registered or certified mail. Notice shall be served prior to the action becoming effective; however, where circumstances require immediate removal of the employee from the workplace, notice shall be provided within two (2) working days from the date the employee is removed from the workplace. Employees so removed shall be placed on paid leave pending imposition of discipline. A copy of the Notice of Intended Disciplinary Action shall also be filed with the Human Resources Manager. The written Notice of Intended Disciplinary Action shall contain the following information:

1. The specific type of disciplinary action;
2. The effective date of the action;
3. The specific reason(s) or cause(s) for the actions;
4. Notice that the employee may inspect copies of all materials upon which the action is based, and
5. Notice that the employee has the right to respond orally or in writing within ten (10) days to the department head initiating the disciplinary action. No hearing before the City Manager is available to review oral or written reprimands.

An employee who responds orally or in writing to the department head shall be entitled to meet in an informal conference with the department head or designee and shall be given the opportunity to rebut the charges against him/her or to state any mitigating circumstances. In the case of oral or written reprimand, the department head’s decision shall be final. In the case of discharge, demotion, suspension, or reduction in pay, the department head or other City designee shall hear and consider the facts presented by the employee and shall thereafter submit a written recommendation to the City Manager to either impose, rescind or modify the proposed disciplinary action. The recommended proposed disciplinary action shall also be served on the employee. The recommendation shall contain:

6. The specific type of disciplinary action;
7. The specific reason(s) or cause(s) for the actions;

36.6 Final Notice of Disciplinary Action: Following review of the department head’s recommendation and the determination by the City Manager, the City Manager shall prepare a Final Notice of Disciplinary Action, advising the employee of the action to be taken, its effective date, and the employee’s appeal rights.

1. Disciplinary action shall become effective on the date stated in the Final Notice of Disciplinary Action, unless the date is otherwise extended by the City Manager.

2. The City Manager shall file a copy of the Final Notice of Disciplinary Action with the Human Resources Director. The Final Notice of Disciplinary Action shall be delivered personally to the employee or shall be sent by registered or certified mail.

36.7 Appeal of Disciplinary Action: In the event of a demotion, suspension or dismissal, and the affected employee is not satisfied with the decision rendered by the City Manager, the employee may appeal the decision. The employee may appeal disciplinary decisions by filing a written appeal with the Human Resources Director within fifteen (15) work days following service of the Final Notice of Disciplinary Action. The written appeal shall contain a written reply to the charges against the employee and written request for an appeal hearing. The employee shall submit a copy of the appeal to the City Manager.

36.8 If an employee submits an appeal, the City shall refer the case to a neutral hearing officer selected through the California State Mediation and Conciliation Services to hear the appeal and submit an advisory decision to the City Manager. Selection of the hearing officer shall be made by the parties’ mutually selecting a list of 7 neutral hearing officers from the office of the California State Mediation and Conciliation Services. Absent mutual agreement on a name on the list, the parties will strike names from the list for final selection of the hearing officer. The selected hearing officer shall adhere to the following standard of review and hearing procedures:

1. The appeal hearing shall be informal and strict rules of evidence shall not apply.

2. The parties will have the right to present and cross-examine witnesses, issue opening and closing statements, and file written closing briefs. Witness testimony shall be under oath or affirmation.

3. The hearing officer may exclude testimony or evidence which he/she determines irrelevant or unduly repetitious.

4. Attendance at the appeal hearing shall be limited to those determined by the hearing officer to have a direct connection with the appeal. Witnesses normally would be present at the hearing only while testifying and should be permitted to testify only in the presence of the employee or his/her representatives and the City’s representatives.

5. The appeal hearing will be held on the City’s premises.

6. In conducting the appeal, the hearing officer’s authority/jurisdiction shall be limited to reviewing the factual basis supporting the discipline and determining that the factual basis was reached honestly, after a fair, appropriate and procedurally correct investigation and for reasons that were not arbitrary, discriminatory or pretextual. Should the hearing officer, conducting the review specified above, affirm the factual
basis for the discipline decision, he/she may not substitute his/her judgment for that of management’s as to the level of discipline imposed. In the event the hearing officer finds that the level of discipline is excessive, he/she may submit an advisory opinion concerning what he/she feels would be the appropriate level of discipline to the City Manager. Should the hearing officer not affirm the factual basis for the discipline, the normal remedy will be to remand the matter to the decision level where the error occurred for reevaluation and/or correction consistent with the hearing officer’s findings. In such a case, the hearing officer will have the authority to retain jurisdiction over the appeal to ensure compliance with the remand decision.

7. The cost of the hearing officer shall be borne by the City. The parties will share equally the cost of the court reporter and each side will bear their respective costs of representation.

36.9 Any decision of the City Manager shall be final and binding.

36.10 Judicial review of any decision rendered under this section shall be governed by Code of Civil Procedure section 1094.5.

36.11 Notwithstanding anything in this MOU, all discipline under this MOU shall conform to the requirements of the Police Officers Bill of Rights for Public Safety members.

**ARTICLE XXXVII – CITY RIGHTS**

37.1 It is further understood and agree between the parties that nothing contained in this MOU shall be construed to waive or reduce any rights of the City, which include but are not limited to, the exclusive rights to:

- Determine the methods, means, and personnel by which government operations are conducted
- Determine the mission of its constituent departments, commissions, and boards
- Set standards of service
- Determine the procedures and standards of selection for employment
- Direct its employees
- Maintain the efficiency of governmental operations
- Determine the methods, means, and personnel by which government operations are conducted
- Take all necessary actions to carry out its mission in emergencies
- Exercise complete control and discretion and the technology of performing its work.

City Rights also include the right to determine the procedures and standards of selection for promotion, to relieve employees from duty because of lack of work or other legitimate reasons, to make and enforce standards of conduct and discipline, and to determine the content of job classifications; provides, however, that nothing herein may be read to extend the term of the MOU nor to supplement negotiations as a means for arriving at terms for a successor MOU.
ARTICLE XXXVIII – EMPLOYEE REPRESENTATION

38.1 This Memorandum of Understanding (MOU) is entered into between representatives of the City of Lodi (City) and representatives of the Lodi Police Mid-Management Organization (LPMO).

The parties hereto acknowledge and agree that this MOU constitutes the result of meeting and conferring in good faith as contemplated by Section 3500 et seq., of the Government Code of the State of California, and further acknowledge and agree that all matters upon which the parties reached agreement are set forth herein.

Both parties each certify without reservation that an adequate opportunity has been afforded its bargaining representatives to propose and vigorously advocate all negotiable subject matter during the course of collective bargaining preparatory to signing this agreement. The City will meet and confer before changing a policy or rule that is subject to meet and confer under the Meyers-Milias-Brown Act (MMBA).

The terms and conditions of this MOU shall continue in effect during the term of this MOU.

The City and the LPMO agree and understand that if any section of the MOU conflicts with the terms and conditions of employment stated in other authorities, such as personnel rules, administrative policy and procedure, city resolutions, or city ordinances, etc. any ambiguity will be resolved in favor of the MOU language. If the MOU is silent on any issue, the applicable document (i.e. policy manual or rules for personnel administration) is controlling. State and Federal laws will be adhered to.

The City agrees to recognize LPMO representatives for the purpose of representing members of the LPMO on all matters relating to the administration of this MOU, and upon the request of an employee, on adverse actions and other matters which may be or are on appeal in accordance with the discipline article of this MOU.

ARTICLE XXXIX - EMPLOYEE RIGHTS

39.1 The City agrees that all disciplinary actions shall be taken in a timely manner, recognizing that imposing discipline, grieving such discipline, investigations, and criminal proceedings may preclude timely action. This process also includes investigations of the complaint, recommending discipline to the office of the Police Chief, and the imposition of discipline.

39.2 The City shall abide by the Public Safety Officers Procedural Bill of Rights (Government Code Section 3300 et seq.), and such is hereby incorporated into this MOU.

39.3 It is understood by both parties that the LPMO, in addition to any other rights herein specified, has the following rights:

1. To represent its members before the City regarding wages, hours, and other terms and conditions of employment
2. To receive timely written notice of changes to or adoption of any rule or regulation directly relating to wages, hours and other terms and conditions of employment.

3. With an employee’s written consent, an authorized LPMO representative shall be permitted, upon request, to inspect the employee’s official departmental personnel file during normal business hours. Such review shall not interfere with normal business of the Department.

The City agrees to recognize the LPMO representatives for the purpose of representing employees on all matters relating to the administration of this MOU; and, upon the request of an employee on adverse actions and other matters which may be or are on appeal in accordance with Article XXXVI of this MOU.

39.4 The City agrees to provide each represented employee with copies of special orders, general orders, training bulletins, departmental rules and regulations, and a copy of this MOU.

39.5 The City agrees not to interfere or in any way discriminate against an employee for exercising his/her right to belong to an employee organization or to exercise his/her rights under this MOU. The LPMO similarly agrees that it will not interfere with or discriminate against employees for exercising rights to belong or refrain from belonging to, supporting, or participating in the activities of an employee organization.

39.6 Both the City and the LPMO agree that no employee shall be subjected to any discrimination by the City or fellow employees in any matter relating to hiring, promotion, assignment, wages, or conditions or employment because of age, sex, creed, color, or national origin. Alleged discriminatory acts are subject to the City’s Policy and Procedure regarding Discrimination, not the grievance procedure.

ARTICLE XXXX – REST PERIOD

40.1 The intent of the rest period is to ensure that the employee is adequately rested for his/her assigned work shift.

a. Employees will receive a continuous eight hour rest period immediately preceding or immediately following their scheduled court appearance or other departmental assignment(s), if less than eight hours has elapsed during:

1) the time period that employee’s regular work shift ends and his/her scheduled appearance/assignment time; or

2) the time period that officer is dismissed and his/her regular work shift begins.

This rest period will not be charged to the employee.

b. If an employee receives approval to take the remaining portion of his or her scheduled shift off, the employee’s leave balances will be charged for the entire shift (as if no rest period has occurred).
c. The rest period does not apply when an employee is scheduled for court or appearance/assignment the day immediately following a day off.

ARTICLE XXXXI - CHANGES IN THE MOU

41.1 The City and the LPMO agree to reopen this MOU and to renew Meeting and Conferring on the subjects set forth herein during the term of this MOU in the event that any provision of this MOU is modified by statute or by a competent order of a court in such a way as to affect either the employees or the City. In such event, all remaining provisions of the MOU shall continue in full force and effect unless and until they are also modified by statute or competent order of a court or agreement of the City and the LPMO.

ARTICLE XXXXII - SEVERABILITY

42.1 In the event that any provision of this MOU is found by a court of competent jurisdiction to be invalid, all other provisions shall be severable and shall continue in full force and effect.

CHAPTER 5 – WORK HOURS

ARTICLE XXXXIII - HOURS OF WORK

43.1 Employees shall work a “4/10” plan. Alternate work schedules may be developed and authorized by the Police Chief.

43.2 It is mutually agreed that the City has the sole right to assign personnel, to establish hours of work and work schedules, to make changes to those schedules, to schedule employees off on compensatory time, and to schedule holidays and vacations, all depending on the needs of service.

43.3 The City and LPMO mutually agree that split shifts are very stressful and may cause health problems. Consequently, supervisors and managers shall not work split shifts except during cases of an emergency nature.

43.4 All employees in the classification of Police Lieutenant or Police Sergeant assigned to Patrol shall select annually, beginning in the month of April, for at least a one year period, their preferred team assignment, days off sequence, holidays, and vacations on the basis of their seniority and the needs of the service. Seniority shall be defined as follows: Total time in service in the classification rank. Should a member of the LPMO leave membership for any reason and return to membership within twelve months, seniority shall be as if the member never left.
## SCHEDULE A

### Police Mid-Management Positions

**Effective July 1, 2019 (4.3%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>126,409.97</td>
<td>132,730.32</td>
<td>139,366.90</td>
<td>146,335.16</td>
<td>153,651.95</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>105,341.67</td>
<td>110,608.63</td>
<td>116,139.06</td>
<td>121,946.05</td>
<td>128,043.28</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>87,784.74</td>
<td>92,173.79</td>
<td>96,782.50</td>
<td>101,621.65</td>
<td>106,702.81</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>68,060.02</td>
<td>71,463.13</td>
<td>75,036.29</td>
<td>78,788.07</td>
<td>82,727.46</td>
</tr>
</tbody>
</table>

**Effective October 21, 2019 (6.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>133,994.57</td>
<td>140,694.14</td>
<td>147,728.91</td>
<td>155,115.27</td>
<td>162,871.07</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>111,662.17</td>
<td>117,245.15</td>
<td>123,107.40</td>
<td>129,262.81</td>
<td>135,725.88</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>93,051.82</td>
<td>97,704.22</td>
<td>102,589.45</td>
<td>107,718.95</td>
<td>113,104.98</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>72,143.62</td>
<td>75,750.92</td>
<td>79,538.47</td>
<td>85,515.35</td>
<td>87,691.11</td>
</tr>
</tbody>
</table>

**Effective the first full pay-period in January 2020 (4.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>139,354.35</td>
<td>146,321.91</td>
<td>153,638.07</td>
<td>161,319.88</td>
<td>169,385.91</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>116,128.66</td>
<td>121,934.96</td>
<td>128,031.70</td>
<td>134,433.32</td>
<td>141,154.92</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>96,773.89</td>
<td>101,612.39</td>
<td>106,693.03</td>
<td>112,027.71</td>
<td>117,629.18</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>75,029.36</td>
<td>78,780.96</td>
<td>82,720.01</td>
<td>86,855.96</td>
<td>91,198.75</td>
</tr>
</tbody>
</table>

**Effective the first full pay-period in July 2020 (3.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>143,534.98</td>
<td>150,711.57</td>
<td>158,247.21</td>
<td>166,159.48</td>
<td>174,467.49</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>119,612.52</td>
<td>125,593.01</td>
<td>131,872.65</td>
<td>138,466.32</td>
<td>145,389.57</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>99,677.11</td>
<td>104,660.76</td>
<td>109,893.82</td>
<td>115,388.54</td>
<td>121,158.06</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>77,280.24</td>
<td>81,144.39</td>
<td>85,201.61</td>
<td>89,461.64</td>
<td>93,934.71</td>
</tr>
</tbody>
</table>

**Effective the first full pay-period in July 2021 (3.0%)**

<table>
<thead>
<tr>
<th>Job Title</th>
<th>Job Code</th>
<th>Step 0</th>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Captain</td>
<td>6300</td>
<td>147,841.03</td>
<td>155,232.92</td>
<td>162,994.63</td>
<td>171,144.26</td>
<td>179,701.51</td>
</tr>
<tr>
<td>Police Lieutenant</td>
<td>6310</td>
<td>123,200.90</td>
<td>129,360.80</td>
<td>135,828.83</td>
<td>142,620.31</td>
<td>149,751.26</td>
</tr>
<tr>
<td>Police Sergeant</td>
<td>6320</td>
<td>102,667.42</td>
<td>107,800.58</td>
<td>113,190.63</td>
<td>118,850.20</td>
<td>124,792.80</td>
</tr>
<tr>
<td>Dispatch Supervisor</td>
<td>6430</td>
<td>79,598.65</td>
<td>83,578.72</td>
<td>87,757.66</td>
<td>92,145.49</td>
<td>96,752.75</td>
</tr>
<tr>
<td>LODI POLICE MID-MANAGEMENT ORGANIZATION</td>
<td>CITY OF LODI, a municipal corporation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------</td>
<td>---------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fernando Martinez, Negotiator</td>
<td>Stephen Schwabauer, City Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dated: _______________________________</td>
<td>Dated: _______________________________</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tim Fritz, Negotiator</td>
<td>Andrew Keys, Deputy City Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dated: _______________________________</td>
<td>Dated: _______________________________</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sean Blandford, Negotiator</td>
<td>Adele Post, Human Resources Manager</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dated: _______________________________</td>
<td>Dated: _______________________________</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kevin Kent, Negotiator</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dated: _______________________________</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**APPROVED AS TO FORM:**

<table>
<thead>
<tr>
<th></th>
<th>Janice D. Magdich, City Attorney</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Attest:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Jennifer M. Ferraiolo, City Clerk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

27
AGENDA TITLE: Adopt Resolution Approving Impact Mitigation Fee Program Annual Report for Fiscal Year 2017/18, Approving Loan Terms for a Loan from the Water Impact Mitigation Fee Fund to the Fire Impact Mitigation Fee Fund and Approving the Use of Proceeds from Sale From 705 E Lodi Ave to Repay the Interfund Loan From the Water Impact Fee to the Fire Impact Fee and Approving Waiving of Interest Accrued through June 30, 2015, and Introduce an Ordinance Rescinding Section 15.64.030C of the Lodi Municipal Code

MEETING DATE: July 17, 2019

PREPARED BY: Deputy City Manager/Internal Services Director

RECOMMENDED ACTION: Adopt resolution approving impact mitigation fee program annual report for Fiscal Year 2017/18, approving loan terms for a loan from the water Impact Mitigation Fee Program to the Fire Impact Mitigation Fee Program and approving the use of proceeds from sale of 705 E Lodi Ave to Repay the Interfund Loan from the Water Impact Fee to the Fire Impact Fee and approving waiving of interest accrued through June 30, 2015, and introduce an Ordinance rescinding section 15.64.030C of the Lodi Municipal Code.

BACKGROUND INFORMATION: Staff initially presented this item to Council at the regularly schedule October 17, 2018, meeting. At that meeting, questions were raised regarding the reports compliance with AB 1600 and the validity of the loan from the Water Impact Fee Fund (IMF) to the Fire IMF. Staff has reviewed the report and the loan and is presenting a revised report based on those findings. In addition, staff is presenting revised loan terms for consideration.

The City’s Development Impact Mitigation Fee (IMF) program consists of 11 separate fee categories, plus the Art in Public Places set-aside. The categories are Electric, Water, Wastewater, Streets, Regional Transportation, Storm, Police, Fire, Parks and Recreation, General City Facilities, and Neighborhood Parks. The fees can only be used for capital improvements and/or debt service to accommodate new growth. The fees were established in 1991 and updated in 2012.

In accordance with the State’s annual reporting requirements, Staff has prepared the attached report that includes the following information for each of the IMF’s:

1. A brief description of the fee program; and
2. Schedule of fees; and
3. Beginning and ending balances of the fee program; and

APPROVED: ________________________________________
Stephen Schwabauer, City Manager
4. Amount of fees collected, interest earned, and transfers/loans; and

5. Disbursement information (including interfund transfers/loans) and percentage of the project funded by fees; and

6. A description of each interfund loan along with the date the loan will be repaid and the rate of interest; and

7. The estimated date when projects will begin if sufficient revenues are available to construct the project; and

8. Findings for each fee program.

Lodi Municipal Code Section 15.64.030C. reads:

_The city manager shall have the authority to make loans among the development impact fee funds to assure adequate cash flow._ Interest shall not be charged on loans within the development impact fee fund._ (emphasis added)_

Based on staff’s research, the bold and underlined provision is not consistent with Government Code 66006. Section 66006 requires a stated rate of interest on all interfund loans and the separation of funds collected under the IMF program into separate accounts. Staff therefore recommends deleting LMC Section 15.64.030C in its entirety and requiring that all loans in the IMF program be brought to Council for consideration.

The only outstanding loan is a $1.6 million loan issued from the Water IMF to the Fire IMF in 2001 to advance construction of Fire Station No. 4, prior to funding availability. The current balance recognized by the City was approximately $1 million as of June 30, 2018. This balance did not include any interest accruals. City Council has the authority to forgive interest accruals through June 30, 2015, as the statute of limitations for an interest claim is three years. Staff recommends waiving the interest through June 30, 2015, in order to facilitate a more timely repayment of the outstanding loan balance. Additionally, the City recently completed the sale of 705 E Lodi Ave (Old Fire Station 2). The proceeds from the sale of old Fire Station 2 are anticipated to be approximately $403,000. Staff recommends depositing those funds in the Fire Impact Fee Fund and immediately using those proceeds to make payment on the outstanding loan balance.

Per State law, the annual report must be available for public review at least 15 days prior to City Council action. The annual report has been posted on the City’s website and the Lodi News Sentinel and the Stockton Record, have been notified of the report’s availability.

**FISCAL IMPACT:**

There is no impact to approving the Fiscal Year 2017/18 report. Approving the revised loan will negatively impact available resources in the Fire IMF, however all facilities identified in the 2012 Nexus have already been delivered. The revised loan will positively impact the availability of resources for the Water IMF and potentially advance the ability to deliver the water tank facility required to serve new development.

**FUNDING AVAILABLE:**

Funding for loan repayments comes through IMF payments by new development.

Andrew Keys, Deputy City Manager

Attachments:
- Resolution Approving the Impact Mitigation Fee Program Annual Report for Fiscal Year 2017-18 and Approving Loan Terms for a Loan from the Water Impact Mitigation Fee Program to the Fire Impact Mitigation Fee Program
- Annual Impact Mitigation Fee Program Report for the City of Lodi for Fiscal Year 2017-18
- Ordinance Rescinding Lodi Municipal Code Section 15.64.030C
Annual Impact Mitigation Fee Program Report
For the City of Lodi
For Fiscal Year 2017-18

This report contains information on the City of Lodi’s Impact Mitigation Fee Programs (IMFP) for Fiscal Year 2017-18. This information is presented to comply with the annual reporting requirements contained in Government Code section 66000 et seq., also known as AB1600. Please note that this annual report is not a budget document or audited financial statement; rather, it is compiled to meet reporting requirements. It reports revenues and expenditures for Fiscal Year 2017-18, and planned projects. The City is working to develop a formal Capital Improvement Program (CIP) with the FY 2019-20 budget cycle and projects listed in this report will be recommended to Council for inclusion in the 2019-2024 CIP. This report summarizes revenue and expenditure activity and fund balance since FY2013-14, and provides a 5-year revenue test using oldest revenues first to fund expenditures as required by AB 1600.

Government Code 66006 requires local agencies to submit annual and five-year reports detailing the status of the IMFP. The annual report must be made available to the public within 180 days after the last day of the fiscal year, and must be presented to the public agency (City Council) at least 15 days after it is made available to the public.

This report summarizes the following information for each of the development fee programs:

1. A brief description of the fee program.
2. Schedule of fees.
3. Beginning and ending balances of the fee program.
4. Amount of fees collected, interest earned, and transfers/loans.
5. Disbursement information (including interfund transfers/loans) and percentage of the project funded by fees.
6. A description of each interfund loan along with the date the loan will be repaid and the rate of interest.
7. The estimated date when projects will begin if sufficient revenues are available to construct the project.
8. Findings for each fee program.

More detailed information on certain elements of the various fees within the IMFP is available through other documents such as the Nexus Study approved by Resolution 2012-142, the IMFP Amendment approved by Resolution 2013-184, Resolution 2016-88 which eliminated previously authorized fee reductions enacted
to incentivize development, and the City’s Annual Budget. In the future, the CIP will contain relevant program information as well. The City does not earmark IMFP revenue for any specific project as the fees are collected; rather, the fees are applied toward a series of capital improvement projects authorized within the specific IMFP. No refunds were made during Fiscal Year 2017/18 pursuant to subdivision (e) of Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.
## TABLE OF CONTENTS

Citywide Impact Mitigation Fee Program

Presentation of Information by Fund ...........................................4

City Impact Mitigation Fee Schedule ........................................5

Impact Mitigation Fee Programs

- Water ................................................................. 7
- Wastewater .....................................................10
- Storm Drainage ...............................................14
- Transportation ...............................................17
- Police ...............................................................20
- Fire .................................................................23
- Parks ...............................................................28
- Electric Utility ..............................................31
- General City Facilities ..................................34
- Art in Public Place .......................................37
- City of Lodi Fee Schedule ..........................40
- Regional Transportation ............................42
Presentation of Information by Fund

This report presents information by Fund starting with a summary overview of FY2017/18 Revenues and Expenses, FY2017/18 Project disbursements, and Projects for FY2018/19. Following this overview is a more detailed 5-year review of revenues and expenses and fund balance to demonstrate both the collection and use of the fees over time.

The report presents the total FY2017/18 and FY2016/17 Project Amounts funded from impact fees and the percent funded from non-fee sources. The revenue table identifies the age of the total revenue available or available fund balance by demonstrating which fiscal year received the revenue. The 5-year Expenditure table presents the use of revenue collected in the year that funded the project. This demonstrates that the oldest revenue is spent before new funds, also known as the First-in, First-out (FIFO) basis.
## City Impact Mitigation Fee Schedule

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Fee/Unit</th>
<th>Police Fee/Unit</th>
<th>Fire Fee/Unit</th>
<th>Citywide Park Fee/Unit</th>
<th>Neighborhood Park Fee/Unit</th>
<th>General City Facilities Fee/Unit</th>
<th>Art In Public Place Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$711</td>
<td>$753</td>
<td>$385</td>
<td>$3,890</td>
<td>$2,541</td>
<td>$617</td>
<td>$80</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$386</td>
<td>$634</td>
<td>$324</td>
<td>$3,276</td>
<td>$2,140</td>
<td>$519</td>
<td>$67</td>
</tr>
<tr>
<td>High Density</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td>Infill (10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Fee/1000</th>
<th>Police Fee/1000</th>
<th>Fire Fee/1000</th>
<th>Community Park Fee/1000</th>
<th>Neighborhood Park Fee/1000</th>
<th>General City Facilities Fee/1000</th>
<th>Art In Public Place Fee/1000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$1,199</td>
<td>$330</td>
<td>$338</td>
<td>$406</td>
<td>$266</td>
<td>$270</td>
<td>$35</td>
</tr>
<tr>
<td>Office/Medical</td>
<td>$872</td>
<td>$528</td>
<td>$540</td>
<td>$650</td>
<td>$428</td>
<td>$433</td>
<td>$56</td>
</tr>
<tr>
<td>Industrial</td>
<td>$443</td>
<td>$176</td>
<td>$180</td>
<td>$217</td>
<td>N/A</td>
<td>$144</td>
<td>$19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Storm Drain Zone 1 Fee/Unit</th>
<th>Storm Drain Zone 2 Fee/Unit</th>
<th>South WW Trunk Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$1,394</td>
<td>$4,237</td>
<td>$1,181</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$697</td>
<td>$2,118</td>
<td>$228</td>
</tr>
<tr>
<td>High Density</td>
<td>$228</td>
<td>$627</td>
<td>$337</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Storm Drain Fee/Acre</th>
<th>Storm Drain Fee/Acre</th>
<th>South WW Fee/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$14,640</td>
<td>$44,485</td>
<td>$1,096</td>
</tr>
<tr>
<td>Office/Medical</td>
<td>$14,640</td>
<td>$44,485</td>
<td>N/A</td>
</tr>
<tr>
<td>Industrial</td>
<td>$15,686</td>
<td>$47,663</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Residential</th>
<th>Non-Residential</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meter Size</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/8&quot;</td>
<td>$2,079</td>
<td>$2,079</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$3,103</td>
<td>$3,103</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$5,181</td>
<td>$5,181</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$10,332</td>
<td>$10,332</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$16,537</td>
<td>$16,537</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$31,026</td>
<td>$31,026</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$51,721</td>
<td>$51,721</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$103,411</td>
<td>$103,411</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$165,464</td>
<td>$165,464</td>
</tr>
<tr>
<td>10&quot;</td>
<td>$237,880</td>
<td>$237,880</td>
</tr>
</tbody>
</table>

1. Fees Effective until December 31, 2019. Fees not subject to annual inflationary increases.
### Residential Reduced Fees

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Fee/Unit</th>
<th>Police Fee/Unit</th>
<th>Fire Fee/Unit</th>
<th>Citywide Park Fee/Unit</th>
<th>Neighborhood Fee/Unit</th>
<th>General City Fee/Unit</th>
<th>Art In Public Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Density</td>
<td>$289</td>
<td>$307</td>
<td>$157</td>
<td>$1,584</td>
<td>$1,016</td>
<td>$251</td>
<td>$33</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$157</td>
<td>$258</td>
<td>$132</td>
<td>$1,334</td>
<td>$856</td>
<td>$211</td>
<td>$27</td>
</tr>
<tr>
<td>High Density</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td>Infill (^1)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td>(10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
</tbody>
</table>

### Electrical Fees

<table>
<thead>
<tr>
<th>Panel Category</th>
<th>Panel Size (amps)</th>
<th>208 Volts</th>
<th>240 Volts</th>
<th>480 Volts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Residential Three Phase</td>
<td>200</td>
<td>$1,178</td>
<td>$1,359</td>
<td>$2,718</td>
</tr>
<tr>
<td></td>
<td>400</td>
<td>$2,356</td>
<td>$2,718</td>
<td>$5,437</td>
</tr>
<tr>
<td></td>
<td>600</td>
<td>$3,534</td>
<td>$4,077</td>
<td>$8,155</td>
</tr>
<tr>
<td></td>
<td>800</td>
<td>$4,712</td>
<td>$5,437</td>
<td>$10,873</td>
</tr>
<tr>
<td></td>
<td>1,000</td>
<td>$5,890</td>
<td>n/a</td>
<td>$13,591</td>
</tr>
<tr>
<td></td>
<td>1,200</td>
<td>$7,068</td>
<td>N/A</td>
<td>$16,310</td>
</tr>
<tr>
<td></td>
<td>1,600</td>
<td>$9,423</td>
<td>n/a</td>
<td>$21,746</td>
</tr>
<tr>
<td></td>
<td>2,000</td>
<td>$11,779</td>
<td>n/a</td>
<td>$27,183</td>
</tr>
<tr>
<td></td>
<td>2,500</td>
<td>$14,724</td>
<td>n/a</td>
<td>$33,979</td>
</tr>
<tr>
<td></td>
<td>3,000</td>
<td>$17,669</td>
<td>n/a</td>
<td>$40,774</td>
</tr>
<tr>
<td>Residential Single Phase</td>
<td>60</td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>125</td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>400</td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>600</td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
<tr>
<td>Non-Residential Single Phase</td>
<td>60</td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>125</td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>400</td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>600</td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. Panel upgrade fees are determined as the difference between the fee for the existing panel and the proposed panel.

1. Fees effective until December 31, 2019. Fees not subject to annual inflationary increases.
Water Fee (Fund 562)

The Water IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a current over build of treatment capacity and a need for new water supply facilities at buildout. The total estimated cost of treatment facilities was included in the Nexus Study and totaled $71.6 Million in 2012 dollars (including debt service). The total estimated new water supply facilities cost was included in the Nexus Study and totaled $4 Million in 2012 dollars.

For purposes of the 2012 study, a plan-based fee calculation methodology was used. Each unit was assumed to receive a blended water supply of groundwater and surface water consistent with the system wide ratios of ground water to surface water supplies. For treatment, 18.68% of costs are attributable to new development. For supply, 100% of the costs are attributable to new development. There is no existing deficiency as current treatment and storage needs are met by current facilities.

Ending Balance for June 30, 2018 is what is shown as the balance on the City’s records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include a portion of the Citywide IMF program update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the Water Fee is to fund water costs, including construction of a new storage tank, construction of a new well, and a proportionate share of treatment capacity.
2. The reasonable relationship between the Water Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete the future City water facilities or to fund new development’s proportionate share of existing facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for funding and constructing the new water supply facility is not known at this time due to the City’s slow rate of growth, but will be necessary to serve cumulative new development. Debt service for the treatment plant is scheduled to continue through June 1, 2040. Additional projects will be included in future year CIP documents.
Beginning balance July 1, 2017 $1,782,303
Less loan receivable $(1,024,025)
Restated beginning balance July 1, 2017 $758,278

Fees collected $362,481
Interest earned/market loss $396
Misc. revenue $
Total $362,877

Disbursements

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$5,387</td>
<td>17% FY 18</td>
</tr>
<tr>
<td>Total</td>
<td>$5,387</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $2,139,793
Plus loan receivable $984,025
Restated ending balance June 30, 2018 $3,123,818

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Planned projects for Fiscal Year 2018/19</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$1,328</td>
<td>17% FY 19</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$1,328</td>
<td></td>
</tr>
</tbody>
</table>

Note: Beginning and ending balance reflects loan receivable balance due to the Water IMF Fee from the Fire IMF Fee.
## Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

### FY 2013/14

#### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees Collected</td>
<td>$60,001</td>
<td>$20,299</td>
<td>$332,765</td>
<td>$206,847</td>
<td>$362,481</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$407</td>
<td>$259</td>
<td>$1,749</td>
<td>$2,865</td>
<td>$396</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$60,408</td>
<td>$20,558</td>
<td>$334,514</td>
<td>$209,712</td>
<td>$362,877</td>
</tr>
</tbody>
</table>

#### Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,387</td>
</tr>
</tbody>
</table>

#### Revenue Less Expenditures

<table>
<thead>
<tr>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$60,408</td>
<td>$20,558</td>
<td>$334,514</td>
<td>$209,712</td>
<td>$357,490</td>
</tr>
</tbody>
</table>

#### Fund Balance, Beginning of Year

<table>
<thead>
<tr>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,157,110</td>
<td>$1,217,519</td>
<td>$1,238,076</td>
<td>$1,572,591</td>
<td>$1,782,303</td>
</tr>
</tbody>
</table>

#### Fund Balance, End of Year

<table>
<thead>
<tr>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,217,519</td>
<td>$1,238,076</td>
<td>$1,572,591</td>
<td>$1,782,303</td>
<td>$2,138,465</td>
</tr>
</tbody>
</table>

#### Available Fund Balance

<table>
<thead>
<tr>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,217,519</td>
<td>$1,238,076</td>
<td>$1,572,591</td>
<td>$1,782,303</td>
<td>$2,138,465</td>
</tr>
</tbody>
</table>

### FY 2016-2017 Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>$32,085</td>
</tr>
<tr>
<td>Total</td>
<td>$32,085</td>
<td>$32,085</td>
</tr>
</tbody>
</table>

### Capital Improvement Projects

<table>
<thead>
<tr>
<th>FY 2017-2018 Projects</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>17%</td>
<td>$5,387</td>
<td>$26,698</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2016-2017 Projects</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>$-</td>
<td>-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Total</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Current Year</td>
<td>$60,408</td>
<td>$20,558</td>
<td>$334,514</td>
<td>$209,712</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$2,856</td>
<td>$60,408</td>
<td>$20,558</td>
<td>$334,514</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$110,866</td>
<td>$2,856</td>
<td>$60,408</td>
<td>$20,558</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$15,545</td>
<td>$110,866</td>
<td>$2,856</td>
<td>$60,408</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$267,789</td>
<td>$15,545</td>
<td>$110,866</td>
<td>$2,856</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$760,054</td>
<td>$1,027,843</td>
<td>$1,043,389</td>
<td>$1,147,540</td>
</tr>
</tbody>
</table>

| Total Revenue Available | $1,217,519 | $1,238,076 | $1,572,591 | $1,775,588 | $2,138,465 |

### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Current Year</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,387</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,387</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,387</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,387</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,387</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$5,387</td>
</tr>
</tbody>
</table>

| Total Annual Expenditures | $-          | $-         | $-         | $5,387     |

Page 9 of 45
2. Wastewater Fee Program (Fund 533)

Wastewater Treatment IMF
The Wastewater Treatment IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need for the South Wastewater Trunk Line to support development in the southern area of the City. New development will be required to fund a proportionate share of existing overbuilt infrastructure and future infrastructure required to serve new development needs (including potential financing costs). Only properties benefiting from the South Wastewater Trunk Line will be required to pay this fee.

For purposes of the study, a plan-based fee calculation methodology was used. There are no existing deficiencies in this fee program. This fee program uses a full buildout projection, rather than the 2035 projection because the facilities will serve the entire buildout population.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

There currently are no projects programmed in this fund as all facilities have been constructed.

Required Findings
1. The purpose of the Wastewater Fee is to fund wastewater costs, including a proportionate share of the wastewater treatment plant.
2. The reasonable relationship between the Wastewater Treatment Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 15, 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete the future City wastewater facilities or to fund new development’s proportionate share of existing facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. Facilities in this program have already been constructed. Fee revenue pays development’s proportionate cost of currently overbuilt facilities. Current debt service is scheduled to continue through October 1, 2037.

South Wastewater Trunk Line IMF
The Wastewater Treatment IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.
The 2012 Nexus Study identified a current overbuild of wastewater treatment capacity and no need for additional treatment facilities at buildout. Current facilities are built such that 100% of the facilities needed to serve new development at buildout have already been constructed and financed. Wastewater fee revenue will be used solely to fund debt service on bonds issued to deliver improvements.

For purposes of the study, a plan-based incremental cost fee calculation methodology was used. Debt instruments have been issued at various times for the different phases of wastewater improvements. In all, 45.3% of outstanding debt is attributable to new development and up to 45.3% of outstanding debt costs as of August 2012 can be paid for from the Wastewater Fee. There are no existing deficiencies as 100% of buildout needs are served by current infrastructure.

This zone based IMF program funds new development's fair share of the South Wastewater Trunk Line serving the South Area.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include a portion of the City wide IMF update. Future projects will be included in the future year CIP documents.

### Required Findings
1. The purpose of the South Wastewater Trunk Line Fee is to fund costs associated with the South Sewer Trunk Line that is required to serve future development in the South Area.
2. The reasonable relationship between the South Wastewater Trunk Line Fee and the purpose for which it is charged is demonstrated in the *City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012*.
3. The sources and amounts of funding anticipated to complete the future South Sewer Trunk Line are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for fully funding and constructing the complete South Wastewater Trunk Line is not known at this time due to the City's slow rate of growth, but will be necessary to serve cumulative new development.
Beginning balance July 1, 2017 $ 834,849
Fees collected $ 585,173
Interest earned/market loss $ 7,836
Misc. revenue
Total $ 593,009

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount from Fee</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 7,336</td>
<td>23%</td>
</tr>
<tr>
<td>Debt Service - Future Users</td>
<td>$ 500,000</td>
<td>23%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 507,336</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 920,523

Planned projects for Fiscal Year 2018/19
<table>
<thead>
<tr>
<th>Fee Update</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 1,809</td>
<td>23%</td>
</tr>
</tbody>
</table>

Total Projects Planned for FY 18/19 $ 1,809
### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

**Wastewater**

**FUND: 533**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$45,777</td>
<td>$76,480</td>
<td>$421,048</td>
<td>$560,702</td>
<td>$585,173</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$3,116</td>
<td>$1,583</td>
<td>$5,211</td>
<td>$5,158</td>
<td>$7,836</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$48,893</td>
<td>$78,062</td>
<td>$426,259</td>
<td>$565,860</td>
<td>$593,009</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>$100,000</td>
<td>$200,000</td>
<td>-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>-</td>
<td>-</td>
<td>$100,000</td>
<td>$200,000</td>
<td>-</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$48,893</td>
<td>$(21,938)</td>
<td>$226,259</td>
<td>$565,860</td>
<td>$85,673</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$15,775</td>
<td>$64,668</td>
<td>$42,730</td>
<td>$268,989</td>
<td>$834,849</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$64,668</td>
<td>$42,730</td>
<td>$268,989</td>
<td>$834,849</td>
<td>$920,523</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$9,145</td>
<td>$1,809</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$64,667.61</td>
<td>$42,730</td>
<td>$268,989</td>
<td>$825,704</td>
<td>$918,713</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2017-2018 Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>23%</td>
<td>$7,336</td>
<td>$24,749</td>
<td></td>
</tr>
<tr>
<td>Debt Service - Future Users</td>
<td>$2,178,392</td>
<td>23%</td>
<td>$500,000</td>
<td>$1,678,392</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$2,210,477</td>
<td>$507,336</td>
<td>$1,703,142</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2016-2017 Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Five Year Revenue Test Using First in first Out Method</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available Revenue Current Year</td>
<td>$48,893</td>
<td>$78,062</td>
<td>$426,259</td>
<td>$565,860</td>
<td>$593,009</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$37,473</td>
<td>$48,893</td>
<td>$78,062</td>
<td>$426,259</td>
<td>$565,860</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$156,539</td>
<td>$37,473</td>
<td>$78,062</td>
<td>$426,259</td>
<td>$565,860</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$3,035,318</td>
<td>$156,539</td>
<td>$37,473</td>
<td>$78,062</td>
<td>$426,259</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$340,665</td>
<td>$3,035,318</td>
<td>$156,539</td>
<td>$37,473</td>
<td>$48,893</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$(3,554,221)</td>
<td>$(3,313,556)</td>
<td>$(478,237)</td>
<td>$(330,843)</td>
<td>$(793,370)</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$64,667</td>
<td>$42,730</td>
<td>$268,989</td>
<td>$825,704</td>
<td>$918,713</td>
</tr>
<tr>
<td><strong>Five Year Expenditure to Revenue Match</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses Allocation Current Year</td>
<td>-</td>
<td>-</td>
<td>$100,000</td>
<td>$200,000</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Annual Expenses</strong></td>
<td>-</td>
<td>-</td>
<td>$100,000</td>
<td>$200,000</td>
<td>-</td>
</tr>
</tbody>
</table>

---

**Page 13 of 45**
3. Storm Drainage Fee (Funds 535)

The Storm Drainage IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified the need for new Storm Drainage Basin areas to serve the needs of new development. The 2012 Nexus Study determined that in some areas, new development would be responsible for fully constructing and funding its own infrastructure demands. In other areas, a fee is required to facilitate the construction of necessary improvements. Additionally, Zone 2 was established on areas outside the City in anticipation of a potential annexation and development.

For purposes of this study, a plan based fee methodology was used. There are no existing deficiencies in this program. Current development is served by current infrastructure. Future development will either directly construct and finance its own storm drainage facilities, or pay into this fee program, depending on its geography within the City. This zone based IMF program funds new development’s fair share of storm drainage facilities necessary to serve each zone’s needs.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

The only project programmed in this fund for FY 2018/19 is a portion of the City-wide IMF program update. All facilities in this program have been constructed or will be privately funded.

Required Findings
1. The purpose of the Storm Drainage fee is to fund the storm drainage costs that include a proportionate share of storm drainage basins and pipe costs depending on the geography of each project.
2. The reasonable relationship between the storm drainage fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete the future storm drainage facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for funding and constructing these facilities is not shown in this report. Future projects will be included in future year CIP documents.
Beginning balance July 1, 2017 $942,455

Fees collected $13,335
Interest earned/market loss $3,138
Misc. revenue $-
Total $16,473

Disbursements

<table>
<thead>
<tr>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update $2,418</td>
<td>8% FY 18</td>
</tr>
<tr>
<td>Total</td>
<td>$2,418</td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $956,510

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$597</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$597</td>
</tr>
</tbody>
</table>
### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

**Storm Drain**  
**FUND: 535**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$130,364</td>
<td>$107,514</td>
<td>$45,481</td>
<td>$37,850</td>
<td>$13,335</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$5,133</td>
<td>$3,806</td>
<td>$7,981</td>
<td>$5,484</td>
<td>$3,138</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
<td>$16,473</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$90,480</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
<td>$14,055</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$643,860</td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$942,455</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$942,455</td>
<td>$956,510</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$3,015</td>
<td>$597</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$939,440</td>
<td>$955,913</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**FY 2017-2018 Projects**

<table>
<thead>
<tr>
<th>Project Amount Expended</th>
<th>Percent Funded by Impact Fees</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>8%</td>
<td>$2,418</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$32,085</td>
<td></td>
<td>$2,418</td>
</tr>
</tbody>
</table>

**FY 2016-2017 Projects**

<table>
<thead>
<tr>
<th>Project Amount Expended</th>
<th>Percent Funded by Impact Fees</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

**Five Year Revenue Test Using First in first Out Method**

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
<td>$16,473</td>
<td></td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$180,163</td>
<td>$-</td>
<td>$-</td>
<td>$135,497</td>
<td>$111,320</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$7,219</td>
<td>$180,163</td>
<td>$-</td>
<td>$-</td>
<td>$135,497</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$411,462</td>
<td>$418,681</td>
<td>$598,844</td>
<td>$595,829</td>
<td>$595,829</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$939,440</td>
<td>$955,913</td>
</tr>
</tbody>
</table>

**Five Year Expenditure to Revenue Match**

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2,418</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2,418</td>
</tr>
</tbody>
</table>
4. Transportation Fee Program (Fund 308)

The Transportation IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified $33.7 million in combined traffic signal and roadway improvements needed to serve the City. The overwhelming majority (92%) of the Harney Lane improvements were anticipated to be funded by sources outside the IMFP. The large majority (60%) of the Victor Rd. improvements are also anticipated to be funded by sources outside the IMFP. The Harney Lane project was completed in the summer of 2018. The 2012 Nexus Study anticipated $2,130,000 in 2012 dollars to be spent from the IMFP on the Harney Lane project. The project was completed without using IMFP funds, leaving the balance available for other listed IMFP improvements. Traffic Signals are included in the Transportation IMF based on new developments share of trips through the various intersections. New developments share ranges from 20-100% of each project with new developments share identified in the nexus study.

For purposes of the study, a plan-based fee calculation methodology was used. Trip generation rates and pass-by trip percentages were used to develop DUE factors for each land use type. These DUE factors were then used to allocate costs to each land use type. There is no existing deficiency as current treatment and storage needs are met by current facilities.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include Traffic Signal and Lighting Design, New Signal at Victor/Guild Roads, and a portion of the City-wide IMF update. Future projects will be included in the future year CIP documents.

**Required Findings**

1. The purpose of the Transportation fee is to fund traffic costs that include a proportionate share of new traffic signals and road widening projects.
2. The reasonable relationship between the transportation fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete future transportation facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning balance July 1, 2017</strong></td>
<td>$789,478</td>
<td></td>
</tr>
<tr>
<td><strong>Fees collected</strong></td>
<td>$97,819</td>
<td></td>
</tr>
<tr>
<td><strong>Interest earned/market loss</strong></td>
<td>$458</td>
<td></td>
</tr>
<tr>
<td><strong>Misc. revenue</strong></td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$98,277</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Disbursements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Victor/Guild Signal</td>
<td>$21,851</td>
<td>94%</td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$1,233</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$23,084</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ending balance June 30, 2018</strong></td>
<td>$864,671</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Planned projects for Fiscal Year 2018/19</strong></td>
<td></td>
</tr>
<tr>
<td>Fee Update</td>
<td>$304</td>
</tr>
<tr>
<td>Project: Traffic Signal &amp; Lighting Design</td>
<td>$17,455</td>
</tr>
<tr>
<td>Project: Signal Victor/Guild Roads</td>
<td>$750,000</td>
</tr>
<tr>
<td><strong>Total Projects Planned for FY 18/19</strong></td>
<td>$767,759</td>
</tr>
<tr>
<td>Description</td>
<td>FY 2013/14</td>
</tr>
<tr>
<td>------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Revenues</td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$94,454</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$2,812</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$97,266</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$97,266</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$233,070</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$330,336</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>$</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$330,336</td>
</tr>
<tr>
<td>Capital Improvement Projects</td>
<td></td>
</tr>
<tr>
<td>FY 2017-2018 Projects</td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
</tr>
<tr>
<td>Victor/Guild Signal</td>
<td>$13,706</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$55,414</td>
</tr>
<tr>
<td>FY 2016-2017 Projects</td>
<td></td>
</tr>
<tr>
<td>Victor/Guild Signal</td>
<td>$13,706</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$13,706</td>
</tr>
<tr>
<td>Five Year Revenue Test Using First in first Out Method</td>
<td></td>
</tr>
<tr>
<td>Available Revenue Current Year</td>
<td>$97,266</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$3,704</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$378,551</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$116,059</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$462,022</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$(727,345)</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$330,336</td>
</tr>
<tr>
<td>Five Year Expenditure to Revenue Match</td>
<td></td>
</tr>
<tr>
<td>Expenses Allocation Current Year</td>
<td>$</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$</td>
</tr>
</tbody>
</table>
6. Police Fee Program (Fund 435)

The Police IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City's contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified that the current police station is adequate to serve the City's needs through 2035. New development will drive the need for new police personnel who will occupy space within the existing police station. Therefore it is appropriate for new development to fund its share of the existing police station, including debt service.

For purposes of the study, a plan based fee methodology was used establishing a level of service standard of 1.70 police personnel (this includes both sword and non-sworn officers) per thousand residents was used. There are no existing deficiencies in this fee program. Based on this methodology, 85% of the cost of the police station is allocated to existing development or development beyond 2035. The remaining 15% is allocated to anticipated development through 2035. A total of $4.1 Million of debt service cost is eligible for allocation to new development. In addition, $434,000 in vehicle costs (in 2012 dollars) was allocated to new development. These are the new vehicles required to serve new officers required by new development.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

The only programmed project for FY 2018/19 in this fund is a portion of the City-wide IMF update. New vehicle purchases are planned only as new officers are hired to serve new development.

**Required Findings**

1. The purpose of the Police Fee is to fund police-related capital costs, including financing costs, attributable to the impact from new development.
2. The reasonable relationship between the Police Fee and the purpose for which it is charged is demonstrated in the* City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.*
3. The sources and amounts of funding anticipated to fund new development's proportionate share of existing facilities or vehicle costs are identified in this report (shown in 2018 dollars).
4. Facilities in this program have already been constructed. Fee revenue pays development’s proportionate cost of currently overbuilt facilities, including debt service. Additionally, fee revenue will fund new development’s proportionate cost of new vehicle costs to support new officers through 2035.
Beginning balance July 1, 2017  $ 226,115

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees collected</td>
<td>$ 69,662</td>
</tr>
<tr>
<td>Interest earned/market loss</td>
<td>$ 801</td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 70,463</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount</th>
<th>% Fee</th>
<th>Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 1,309</td>
<td>4%</td>
<td>FY 18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,309</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018  $ 295,269

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$ 323</td>
</tr>
<tr>
<td><strong>Total Projects Planned for FY 18/19</strong></td>
<td>$ 323</td>
</tr>
</tbody>
</table>
### Police

**FUND: 435**

Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$34,340</td>
<td>$10,676</td>
<td>$153,873</td>
<td>$21,295</td>
<td>$69,662</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$435</td>
<td>$330</td>
<td>$2,292</td>
<td>$1,231</td>
<td>$801</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$34,774</td>
<td>$11,006</td>
<td>$156,165</td>
<td>$22,526</td>
<td>$70,463</td>
</tr>
</tbody>
</table>

| **Expenditures** |             |            |            |            |            |
| Debt Service | - $ | - $ | - $ | - $ | - $ |
| Impact Fee Administration | - $ | - $ | - $ | - $ | - $ |
| AB 1600 Disbursements | - $ | - $ | - $ | - $ | - $ |
| **Total Expenditures** | - $ | - $ | - $ | - $ | 1,309 $ |

Revenue Less Expenditures | $34,774 | $11,006 | $156,165 | $22,526 | $69,154 |

Fund Balance, Beginning of Year | $1,643 | $36,418 | $47,424 | $203,589 | $226,115 |

Fund Balance, End of Year | $36,418 | $47,424 | $203,589 | $226,115 | $295,269 |

Assigned Fund Balance | - $ | - $ | - $ | 1,632 $ | 323 $ |

Available Fund Balance | $36,418 | $47,424 | $203,589 | $226,115 | $294,946 |

**Capital Improvement Projects**

<table>
<thead>
<tr>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017-2018 Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>4%</td>
<td>$1,309</td>
</tr>
<tr>
<td>Total</td>
<td>$32,085</td>
<td>4%</td>
<td>$1,309</td>
</tr>
</tbody>
</table>

| FY 2016-2017 Projects| | |
| None | $ - | - | - |
| Total | $ - | - | - |

**Five Year Revenue Test Using First in first Out Method**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Current Year</td>
<td>$34,774</td>
<td>$11,006</td>
<td>$156,165</td>
<td>$22,526</td>
<td>$70,463</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$1,085</td>
<td>$34,774</td>
<td>$11,006</td>
<td>$156,165</td>
<td>$22,526</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$103,351</td>
<td>$1,085</td>
<td>$34,774</td>
<td>$11,006</td>
<td>$156,165</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$20,978</td>
<td>$103,351</td>
<td>$1,085</td>
<td>$34,774</td>
<td>$11,006</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$128,279</td>
<td>$20,978</td>
<td>$103,351</td>
<td>$1,085</td>
<td>$34,774</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>(252,051$)</td>
<td>(123,772$)</td>
<td>(102,793$)</td>
<td>(3,074$)</td>
<td>(1,621$)</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$36,418</td>
<td>$47,424</td>
<td>$203,589</td>
<td>$224,483</td>
<td>$294,946</td>
</tr>
</tbody>
</table>

**Five Year Expenditure to Revenue Match**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Current Year</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,309 $</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,309 $</td>
</tr>
</tbody>
</table>
7. Fire Fee Program (Fund 436)

The Fire IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need to expand and relocate Fire Station 2 in order to serve buildout of the City. The study also identified an overbuild of Fire Station 4 carried over. Fire Station 4 was constructed in part from a loan from the Water Fee Program to the Fire Fee Program. Details of the restated loan can be found on pages 24-25 of this report. The loan was originally issued with no interest, however this is in conflict with Government Codes 66006 and 66013 requiring that loans from IMF’s have an interest rate and repayment terms and that annual reports disclose the status of the loan including these provisions. The history of the loan, as restated with quarterly compounded interest at a rate equal to the one year US Treasury note as of the end of each quarter, is included. The City Council will consider waiving interest on the loan for the period March 31, 2001, through June 30, 2015 concurrent with acceptance of this report. It is important to note that interest has not been accrued in the City’s financial statements and is not reflected in the tables pages 22 and 23 of this report.

For purposes of the study, a plan based fee methodology was used. There are no existing deficiencies in this fee program. Based on this methodology, 81% of the cost of the expanded fire station is allocated to existing development and 19% is allocated to anticipated development through 2035. A total of $3.1 Million is eligible for allocation to new development. However, because the anticipated cost of Station 2 expansion was only $1.6 Million, including financing costs, and the outstanding loan from the Water Fee Program was $1.2 Million, as of the date the Nexus Study was prepared, only $2.8 Million was allocated to new development.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

The expansion of Fire Station 2 and the construction of Fire Station 4 (financed with a loan from the Water Fee Program) are attributable to new development and new development will be required to pay for 100% of the costs associated with each.

Projects programmed in this fund for FY 2018/19 include a portion of the city wide IMF update and repayment of the loan to the Water IMF as previously described.

Required Findings
1. The purpose of the Fire Fee is to fund fire-related capital costs, including financing costs, attributable to the impact from new development.
2. The reasonable relationship between the Fire Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities or vehicle costs are identified in this report (shown in 2018 dollars).

4. Facilities in this program have already been constructed. Fee revenue pays development’s proportionate cost of currently overbuilt facilities, including external and internal loan repayments. Internal loan repayments are scheduled as revenues are received and the current repayment date is unknown.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance July 1, 2017</td>
<td>$ (1,021,314)</td>
<td></td>
</tr>
<tr>
<td>Plus loan payable</td>
<td>$ 1,024,025</td>
<td></td>
</tr>
<tr>
<td>Restated beginning balance July 1, 2017</td>
<td>$ 2,711</td>
<td></td>
</tr>
<tr>
<td>Fees collected</td>
<td>$ 42,113</td>
<td></td>
</tr>
<tr>
<td>Interest earned/market loss</td>
<td>$ 914</td>
<td></td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>$ -</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$ 43,027</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 670</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 670</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending balance June 30, 2018</td>
<td>$ 45,069</td>
<td></td>
</tr>
<tr>
<td>Less loan payable</td>
<td>$ (984,025)</td>
<td></td>
</tr>
<tr>
<td>Restated ending balance June 30, 2018</td>
<td>$ (938,956)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned projects for Fiscal Year 2018/19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee Update</td>
<td>$ 165</td>
<td>2%</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$ 165</td>
<td></td>
</tr>
</tbody>
</table>

Note: Beginning and ending balance is negative due to outstanding loan due to the Water IMF Fee.
## Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

**Description**  
**FY 2013/14**  
**FY 2014/15**  
**FY 2015/16**  
**FY 2016/17**  
**FY 2017/18**

### Revenues
- **Fees Collected**  
  - FY 2013/14: $34,357
  - FY 2014/15: $8,357
  - FY 2015/16: $121,012
  - FY 2016/17: $21,714
  - FY 2017/18: $42,113
- **Interest Earned/Mkt Gain/Loss**  
  - FY 2013/14: $238
  - FY 2014/15: $113
  - FY 2015/16: $954
  - FY 2016/17: $314
  - FY 2017/18: $914
- **Misc Revenue**  
  - FY 2013/14: $-
  - FY 2014/15: $-
  - FY 2015/16: $-
  - FY 2016/17: $-
  - FY 2017/18: $-

**Total Revenues**  
- FY 2013/14: $34,596
- FY 2014/15: $8,471
- FY 2015/16: $121,966
- FY 2016/17: $22,029
- FY 2017/18: $43,027

### Expenditures
- **Debt Service**  
  - FY 2013/14: $-
  - FY 2014/15: $-
  - FY 2015/16: $-
  - FY 2016/17: $-
  - FY 2017/18: $-
- **Impact Fee Administration**  
  - FY 2013/14: $-
  - FY 2014/15: $-
  - FY 2015/16: $-
  - FY 2016/17: $-
  - FY 2017/18: $-
- **AB 1600 Disbursements**  
  - FY 2013/14: $-
  - FY 2014/15: $-
  - FY 2015/16: $-
  - FY 2016/17: $670
  - FY 2017/18: $-

**Total Expenditures**  
- FY 2013/14: $-
- FY 2014/15: $-
- FY 2015/16: $-
- FY 2016/17: $-
- FY 2017/18: $670

**Revenue Less Expenditures**  
- FY 2013/14: $34,596
- FY 2014/15: $8,471
- FY 2015/16: $121,966
- FY 2016/17: $22,029
- FY 2017/18: $42,358

### Capital Improvement Projects

**FY 2017-2018 Projects**

<table>
<thead>
<tr>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017-2018 Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>2%</td>
<td>$670</td>
</tr>
<tr>
<td>Total</td>
<td>$32,085</td>
<td></td>
<td>$670</td>
</tr>
</tbody>
</table>

**FY 2016-2017 Projects**

<table>
<thead>
<tr>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2016-2017 Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Total</td>
<td>$-</td>
<td></td>
<td>$-</td>
</tr>
</tbody>
</table>

### Five Year Revenue Test Using First in First Out Method

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$34,596</td>
<td>$8,471</td>
<td>$121,966</td>
<td>$22,029</td>
<td>$43,027</td>
<td></td>
</tr>
</tbody>
</table>

### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$670</td>
<td>$-</td>
</tr>
</tbody>
</table>

Page 25 of 45
## Restated Interfund Loan from IMF Water to IMF Fire

### One Year

<table>
<thead>
<tr>
<th>Date</th>
<th>Treasury Rate</th>
<th>Beginning Balance</th>
<th>Payments Made</th>
<th>Interest Accrued</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2001</td>
<td>N/A</td>
<td>$1,644,569.00</td>
<td>-</td>
<td>-</td>
<td>$1,644,569.00</td>
</tr>
<tr>
<td>6/30/2001</td>
<td>3.72%</td>
<td>$1,644,569.00</td>
<td>-</td>
<td>$15,294.49</td>
<td>$1,659,863.49</td>
</tr>
<tr>
<td>9/30/2001</td>
<td>2.49%</td>
<td>$1,659,863.49</td>
<td>-</td>
<td>$10,332.65</td>
<td>$1,670,196.14</td>
</tr>
<tr>
<td>12/31/2001</td>
<td>2.17%</td>
<td>$1,670,196.14</td>
<td>-</td>
<td>$9,060.81</td>
<td>$1,679,256.95</td>
</tr>
<tr>
<td>3/31/2002</td>
<td>2.70%</td>
<td>$1,679,256.95</td>
<td>-</td>
<td>$11,334.98</td>
<td>$1,690,591.93</td>
</tr>
<tr>
<td>6/30/2002</td>
<td>2.06%</td>
<td>$1,690,591.93</td>
<td>-</td>
<td>$8,392.72</td>
<td>$1,698,984.65</td>
</tr>
<tr>
<td>9/30/2002</td>
<td>1.53%</td>
<td>$1,638,046.57</td>
<td>-</td>
<td>$6,265.33</td>
<td>$1,644,312.10</td>
</tr>
<tr>
<td>12/31/2002</td>
<td>1.32%</td>
<td>$1,644,312.10</td>
<td>-</td>
<td>$5,426.23</td>
<td>$1,649,738.33</td>
</tr>
<tr>
<td>3/31/2003</td>
<td>1.19%</td>
<td>$1,649,738.33</td>
<td>-</td>
<td>$4,907.97</td>
<td>$1,654,646.30</td>
</tr>
<tr>
<td>6/30/2003</td>
<td>1.09%</td>
<td>$1,654,646.30</td>
<td>-</td>
<td>$3,999.70</td>
<td>$1,658,646.00</td>
</tr>
<tr>
<td>9/30/2003</td>
<td>1.15%</td>
<td>$1,671,778.56</td>
<td>-</td>
<td>$4,231.36</td>
<td>$1,676,009.92</td>
</tr>
<tr>
<td>12/31/2003</td>
<td>1.26%</td>
<td>$1,476,009.92</td>
<td>-</td>
<td>$4,649.43</td>
<td>$1,480,659.35</td>
</tr>
<tr>
<td>3/31/2004</td>
<td>1.20%</td>
<td>$1,480,659.35</td>
<td>-</td>
<td>$4,441.98</td>
<td>$1,485,101.33</td>
</tr>
<tr>
<td>6/30/2004</td>
<td>2.09%</td>
<td>$1,485,101.33</td>
<td>-</td>
<td>$7,759.65</td>
<td>$1,492,860.98</td>
</tr>
<tr>
<td>9/30/2004</td>
<td>2.21%</td>
<td>$1,492,860.98</td>
<td>-</td>
<td>$8,248.06</td>
<td>$1,501,109.04</td>
</tr>
<tr>
<td>12/31/2004</td>
<td>2.75%</td>
<td>$1,501,109.04</td>
<td>-</td>
<td>$10,320.12</td>
<td>$1,511,429.16</td>
</tr>
<tr>
<td>3/31/2005</td>
<td>3.35%</td>
<td>$1,511,429.16</td>
<td>-</td>
<td>$12,658.22</td>
<td>$1,524,087.38</td>
</tr>
<tr>
<td>6/30/2005</td>
<td>3.45%</td>
<td>$1,524,087.38</td>
<td>-</td>
<td>$11,665.28</td>
<td>$1,535,752.66</td>
</tr>
<tr>
<td>9/30/2005</td>
<td>4.01%</td>
<td>$1,364,161.75</td>
<td>-</td>
<td>$13,675.72</td>
<td>$1,377,837.47</td>
</tr>
<tr>
<td>12/31/2005</td>
<td>4.38%</td>
<td>$1,377,837.47</td>
<td>-</td>
<td>$15,087.32</td>
<td>$1,392,924.79</td>
</tr>
<tr>
<td>3/31/2006</td>
<td>4.82%</td>
<td>$1,392,924.79</td>
<td>-</td>
<td>$16,784.74</td>
<td>$1,409,709.53</td>
</tr>
<tr>
<td>6/30/2006</td>
<td>5.21%</td>
<td>$1,409,709.53</td>
<td>-</td>
<td>$18,361.47</td>
<td>$1,428,071.00</td>
</tr>
<tr>
<td>9/30/2006</td>
<td>4.91%</td>
<td>$1,428,071.00</td>
<td>-</td>
<td>$17,529.57</td>
<td>$1,445,600.57</td>
</tr>
<tr>
<td>12/31/2006</td>
<td>5.00%</td>
<td>$1,445,600.57</td>
<td>-</td>
<td>$18,070.01</td>
<td>$1,463,670.58</td>
</tr>
<tr>
<td>3/31/2007</td>
<td>4.90%</td>
<td>$1,463,670.58</td>
<td>-</td>
<td>$17,929.96</td>
<td>$1,481,600.54</td>
</tr>
<tr>
<td>6/30/2007</td>
<td>4.91%</td>
<td>$1,481,600.54</td>
<td>-</td>
<td>$18,186.65</td>
<td>$1,499,787.19</td>
</tr>
<tr>
<td>9/30/2007</td>
<td>4.05%</td>
<td>$1,499,787.19</td>
<td>-</td>
<td>$15,185.35</td>
<td>$1,514,972.54</td>
</tr>
<tr>
<td>12/31/2007</td>
<td>3.34%</td>
<td>$1,514,972.54</td>
<td>-</td>
<td>$12,650.02</td>
<td>$1,527,622.56</td>
</tr>
<tr>
<td>3/31/2008</td>
<td>1.55%</td>
<td>$1,527,622.56</td>
<td>-</td>
<td>$5,919.54</td>
<td>$1,533,542.10</td>
</tr>
<tr>
<td>6/30/2008</td>
<td>2.36%</td>
<td>$1,533,542.10</td>
<td>-</td>
<td>$9,047.90</td>
<td>$1,542,590.00</td>
</tr>
<tr>
<td>9/30/2008</td>
<td>1.78%</td>
<td>$1,542,590.00</td>
<td>-</td>
<td>$6,864.53</td>
<td>$1,549,454.53</td>
</tr>
<tr>
<td>12/31/2008</td>
<td>0.37%</td>
<td>$1,549,454.53</td>
<td>-</td>
<td>$1,433.25</td>
<td>$1,550,887.78</td>
</tr>
<tr>
<td>3/31/2009</td>
<td>0.57%</td>
<td>$1,550,887.78</td>
<td>-</td>
<td>$2,210.02</td>
<td>$1,553,097.80</td>
</tr>
<tr>
<td>6/30/2009</td>
<td>0.56%</td>
<td>$1,553,097.80</td>
<td>-</td>
<td>$2,174.34</td>
<td>$1,555,272.14</td>
</tr>
<tr>
<td>9/30/2009</td>
<td>0.40%</td>
<td>$1,555,272.14</td>
<td>-</td>
<td>$1,555.27</td>
<td>$1,556,827.41</td>
</tr>
<tr>
<td>12/31/2009</td>
<td>0.47%</td>
<td>$1,556,827.41</td>
<td>-</td>
<td>$1,829.27</td>
<td>$1,558,656.68</td>
</tr>
</tbody>
</table>
### Restated Interfund Loan from IMF Water to IMF Fire (continued)

#### One Year

<table>
<thead>
<tr>
<th>Date</th>
<th>Treasury Rate</th>
<th>Beginning Balance</th>
<th>Payments Made</th>
<th>Interest Accrued</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2010</td>
<td>0.41%</td>
<td>$1,558,656.68</td>
<td>-</td>
<td>$1,597.62</td>
<td>$1,560,254.30</td>
</tr>
<tr>
<td>6/30/2010</td>
<td>0.32%</td>
<td>$1,560,254.30</td>
<td>-</td>
<td>$1,248.20</td>
<td>$1,561,502.50</td>
</tr>
<tr>
<td>9/30/2010</td>
<td>0.27%</td>
<td>$1,561,502.50</td>
<td>-</td>
<td>$1,054.01</td>
<td>$1,562,556.51</td>
</tr>
<tr>
<td>12/31/2010</td>
<td>0.29%</td>
<td>$1,562,556.51</td>
<td>-</td>
<td>$1,132.85</td>
<td>$1,563,689.36</td>
</tr>
<tr>
<td>3/31/2011</td>
<td>0.30%</td>
<td>$1,563,689.36</td>
<td>-</td>
<td>$1,172.77</td>
<td>$1,564,862.13</td>
</tr>
<tr>
<td>6/30/2011</td>
<td>0.19%</td>
<td>$1,564,862.13</td>
<td>-</td>
<td>$743.31</td>
<td>$1,565,605.44</td>
</tr>
<tr>
<td>9/30/2011</td>
<td>0.13%</td>
<td>$1,565,605.44</td>
<td>-</td>
<td>$508.82</td>
<td>$1,566,114.26</td>
</tr>
<tr>
<td>12/31/2011</td>
<td>0.12%</td>
<td>$1,566,114.26</td>
<td>-</td>
<td>$469.83</td>
<td>$1,566,584.09</td>
</tr>
<tr>
<td>3/31/2012</td>
<td>0.19%</td>
<td>$1,566,584.09</td>
<td>-</td>
<td>$744.13</td>
<td>$1,567,328.22</td>
</tr>
<tr>
<td>6/30/2012</td>
<td>0.21%</td>
<td>$1,567,328.22</td>
<td>($16,147.68)</td>
<td>$814.37</td>
<td>$1,551,994.91</td>
</tr>
<tr>
<td>9/30/2012</td>
<td>0.17%</td>
<td>$1,551,994.91</td>
<td>-</td>
<td>$659.60</td>
<td>$1,552,654.51</td>
</tr>
<tr>
<td>12/31/2012</td>
<td>0.16%</td>
<td>$1,552,654.51</td>
<td>-</td>
<td>$621.06</td>
<td>$1,553,275.57</td>
</tr>
<tr>
<td>3/31/2013</td>
<td>0.14%</td>
<td>$1,553,275.57</td>
<td>-</td>
<td>$543.65</td>
<td>$1,553,819.22</td>
</tr>
<tr>
<td>6/30/2013</td>
<td>0.15%</td>
<td>$1,553,819.22</td>
<td>-</td>
<td>$582.68</td>
<td>$1,554,401.90</td>
</tr>
<tr>
<td>9/30/2013</td>
<td>0.10%</td>
<td>$1,554,401.90</td>
<td>-</td>
<td>$388.60</td>
<td>$1,554,790.50</td>
</tr>
<tr>
<td>12/31/2013</td>
<td>0.13%</td>
<td>$1,554,790.50</td>
<td>-</td>
<td>$505.31</td>
<td>$1,555,295.81</td>
</tr>
<tr>
<td>3/31/2014</td>
<td>0.13%</td>
<td>$1,555,295.81</td>
<td>-</td>
<td>$505.47</td>
<td>$1,555,801.28</td>
</tr>
<tr>
<td>6/30/2014</td>
<td>0.11%</td>
<td>$1,555,801.28</td>
<td>($35,000.00)</td>
<td>$418.22</td>
<td>$1,521,219.50</td>
</tr>
<tr>
<td>9/30/2014</td>
<td>0.13%</td>
<td>$1,521,219.50</td>
<td>-</td>
<td>$494.40</td>
<td>$1,521,713.90</td>
</tr>
<tr>
<td>12/31/2014</td>
<td>0.25%</td>
<td>$1,521,713.90</td>
<td>-</td>
<td>$951.07</td>
<td>$1,522,664.97</td>
</tr>
<tr>
<td>3/31/2015</td>
<td>0.26%</td>
<td>$1,522,664.97</td>
<td>-</td>
<td>$989.73</td>
<td>$1,523,654.70</td>
</tr>
<tr>
<td>6/30/2015</td>
<td>0.28%</td>
<td>$1,523,654.70</td>
<td>-</td>
<td>$1,066.56</td>
<td>$1,524,721.26</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>0.33%</td>
<td>$1,524,721.26</td>
<td>-</td>
<td>$1,257.90</td>
<td>$1,525,979.16</td>
</tr>
<tr>
<td>12/31/2015</td>
<td>0.65%</td>
<td>$1,525,979.16</td>
<td>-</td>
<td>$2,479.72</td>
<td>$1,528,458.88</td>
</tr>
<tr>
<td>3/31/2016</td>
<td>0.59%</td>
<td>$1,528,458.88</td>
<td>-</td>
<td>$2,254.48</td>
<td>$1,530,713.36</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>0.45%</td>
<td>$1,530,713.36</td>
<td>($100,000.00)</td>
<td>$1,609.55</td>
<td>$1,432,322.91</td>
</tr>
<tr>
<td>9/30/2016</td>
<td>0.59%</td>
<td>$1,432,322.91</td>
<td>-</td>
<td>$2,096.20</td>
<td>$1,434,419.11</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>0.81%</td>
<td>$1,434,419.11</td>
<td>-</td>
<td>$2,906.85</td>
<td>$1,437,325.96</td>
</tr>
<tr>
<td>3/31/2017</td>
<td>1.02%</td>
<td>$1,437,325.96</td>
<td>-</td>
<td>$3,652.25</td>
<td>$1,440,978.21</td>
</tr>
<tr>
<td>6/30/2017</td>
<td>1.23%</td>
<td>$1,440,978.21</td>
<td>-</td>
<td>$4,422.00</td>
<td>$1,445,400.21</td>
</tr>
<tr>
<td>9/30/2017</td>
<td>1.29%</td>
<td>$1,445,400.21</td>
<td>-</td>
<td>$4,658.52</td>
<td>$1,450,058.73</td>
</tr>
<tr>
<td>12/31/2017</td>
<td>1.73%</td>
<td>$1,450,058.73</td>
<td>-</td>
<td>$6,277.30</td>
<td>$1,456,336.03</td>
</tr>
<tr>
<td>3/31/2018</td>
<td>2.09%</td>
<td>$1,456,336.03</td>
<td>-</td>
<td>$7,609.36</td>
<td>$1,463,945.39</td>
</tr>
<tr>
<td>6/30/2018</td>
<td>2.33%</td>
<td>$1,463,945.39</td>
<td>-</td>
<td>$8,527.48</td>
<td>$1,472,472.87</td>
</tr>
</tbody>
</table>
8. Parks Fee Program (Fund 437)

The Parks IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need to improve three parklands located within the City to serve new development. Additionally, all of the neighborhood parks (totaling 2.5 acres per 1,000 residents) required to serve new development will be privately funded by future development.

For purposes of the study, a level of service standard was used establishing a total of 8.0 acres of combined parkland, open space and special use areas per 1,000 residents. There are no existing deficiencies in this fee program. Three types of parkland exist within the City including neighborhood, community and regional. The IMF only covers new development’s share of the community and regional parks, a portion of natural open space and special use areas. Neighborhood parks are planned to be fully privately funded by future development.

Ending balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects funded in Fiscal Year 2018/19 a portion of the Citywide IMF fee update. Future projects will be included in the future year CIP documents as shown below.

Required Findings
1. The purpose of the Parks Fee is to fund facilities attributable to the impact from new development.
2. The reasonable relationship between the Parks Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
Parks & Recreation Fund 437

Beginning balance July 1, 2017 $ 564,638
Fees collected $ 300,584
Interest earned/market loss $ 680
Misc. revenue $ -
Total $ 301,265

Disbursements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 6,756</td>
<td>21%</td>
</tr>
<tr>
<td>DeBenedetti Park Trail/Parking Lot</td>
<td>$ 543,707</td>
<td>83%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 550,463</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 315,440

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$ 1,666</td>
<td>21%</td>
</tr>
<tr>
<td>DeBenedetti Master Plan</td>
<td>$ 65,420</td>
<td>100%</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$ 67,086</td>
<td></td>
</tr>
</tbody>
</table>
Parks & Recreation  
FUND: 437  
Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$42,043</td>
<td>$28,644</td>
<td>$496,751</td>
<td>$37,470</td>
<td>$300,584</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$2,627</td>
<td>$1,686</td>
<td>$9,310</td>
<td>$3,757</td>
<td>$680</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
<td>$301,265</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Misc Adjustments</td>
<td>-</td>
<td>-</td>
<td>(23,396)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$120,727</td>
<td>$77,039</td>
<td>$102,576</td>
<td>$238,152</td>
<td>$550,463</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$120,727</td>
<td>$77,039</td>
<td>$79,180</td>
<td>$238,152</td>
<td>$550,463</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$ (76,057)</td>
<td>(46,709)</td>
<td>$426,881</td>
<td>(196,925)</td>
<td>(249,198)</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$457,449</td>
<td>$381,392</td>
<td>$334,682</td>
<td>$761,563</td>
<td>$564,638</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$381,392</td>
<td>$334,682</td>
<td>$761,563</td>
<td>$564,638</td>
<td>$315,440</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>496,080</td>
<td>166</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$381,392</td>
<td>$334,682</td>
<td>$761,563</td>
<td>$68,558</td>
<td>$315,273</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2017-2018 Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Amount</td>
<td>Projects</td>
<td>Percent Funded</td>
<td>Impact Fee</td>
<td>Non-Impact Fee</td>
<td></td>
</tr>
<tr>
<td>Expended</td>
<td>Impacts</td>
<td>by Impact Fees</td>
<td>Expenditures</td>
<td>Expenditures</td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>21%</td>
<td>$6,756</td>
<td>$25,329</td>
<td></td>
</tr>
<tr>
<td>DeBenedetti Park Trail/Parking Lot</td>
<td>$652,709</td>
<td>83%</td>
<td>$543,707</td>
<td>$109,002</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$684,794</td>
<td></td>
<td>$550,463</td>
<td>$134,331</td>
<td></td>
</tr>
<tr>
<td>FY 2016-2017 Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Amount</td>
<td>Projects</td>
<td>Percent Funded</td>
<td>Impact Fee</td>
<td>Non-Impact Fee</td>
<td></td>
</tr>
<tr>
<td>Expended</td>
<td>Impacts</td>
<td>by Impact Fees</td>
<td>Expenditures</td>
<td>Expenditures</td>
<td></td>
</tr>
<tr>
<td>DeBenedetti Park Trail/Parking Lot</td>
<td>$238,152</td>
<td>100%</td>
<td>$238,152</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$238,152</td>
<td></td>
<td>$238,152</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Five Year Revenue Test Using First in first Out Method</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2013/14</td>
<td>Projects</td>
<td></td>
<td>Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expended</td>
<td>Impacts</td>
<td></td>
<td>Impacts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available Revenue Current Year</td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
<td>$301,265</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$3,512</td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$31,416</td>
<td>$3,512</td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$41,853</td>
<td>$31,416</td>
<td>$3,512</td>
<td>$44,670</td>
<td>$30,330</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$16,352</td>
<td>$41,853</td>
<td>$3,512</td>
<td>$44,670</td>
<td>$30,330</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$243,589</td>
<td>$182,901</td>
<td>$145,574</td>
<td>(557,243)</td>
<td>(608,279)</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$381,392</td>
<td>$334,682</td>
<td>$761,563</td>
<td>$68,558</td>
<td>$315,273</td>
</tr>
<tr>
<td><strong>Five Year Expenditure to Revenue Match</strong></td>
<td>Projects</td>
<td></td>
<td>Projects</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2013/14</td>
<td>Projects</td>
<td></td>
<td>Impacts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expended</td>
<td>Impacts</td>
<td></td>
<td>Impacts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses Allocation Current Year</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$218,690</td>
<td>$550,463</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$19,462</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(66,394)</td>
<td>-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$120,727</td>
<td>$77,039</td>
<td>$145,574</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$120,727</td>
<td>$77,039</td>
<td>$79,180</td>
<td>$238,152</td>
<td>$550,463</td>
</tr>
</tbody>
</table>
9. Electric Utility Fee Program (Fund 505)

The Electric Utility IMF was first adopted by the City Council in 2007 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need for new electric utility facilities to serve additional demand for electricity caused by new development. A Distribution Capacity Plan was used to determine peak load demand and the system is sized to meet peak load needs of the end users (consumers of electricity).

For purposes of the study, a plan based fee methodology was used. There are no existing deficiencies in this fee program. A total of $7.1 million (in 2012 dollars) is allocated to new development covering a variety of electric utility facilities including distribution reinforcements, feeder additions, an added bank, and overhead and underground line extensions.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include the McLane Feeder, the 1267 Feeder extension and a portion of the Citywide IMF fee update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the Electric Utility Fee is to fund electric utility facilities attributable to the impact of new development.
2. The reasonable relationship between the Electric Utility Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, dated August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development's proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
### Beginning balance July 1, 2017

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees collected</td>
<td>$ 137,611</td>
</tr>
<tr>
<td>Interest earned/ market loss</td>
<td>$ -</td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 137,611</strong></td>
</tr>
</tbody>
</table>

### Disbursements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 1,433</td>
<td>4%</td>
</tr>
<tr>
<td>Lead Transfer Project - FY 16 &amp; 17 eligible costs</td>
<td>$ 86,599</td>
<td>100%</td>
</tr>
<tr>
<td>Cherokee Express Feeder - FY 17 eligible costs</td>
<td>$ 408,562</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 496,594</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Ending balance June 30, 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 650,910</strong></td>
</tr>
</tbody>
</table>

### Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$ 354</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total Projects Planned for FY 18/19</strong></td>
<td><strong>$ 354</strong></td>
<td></td>
</tr>
</tbody>
</table>
### Electric FUND: 505

#### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
<td>$83,914</td>
<td>$137,611</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>-</td>
<td>-</td>
<td>-336</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
<td>$83,914</td>
<td>$137,611</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>496,594</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
<td>$83,914</td>
<td>(358,983)</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$659,812</td>
<td>$749,453</td>
<td>$913,438</td>
<td>$925,979</td>
<td>$1,009,893</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$749,453</td>
<td>$913,438</td>
<td>$925,979</td>
<td>$1,009,893</td>
<td>$650,910</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,787</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$749,453</td>
<td>$913,438</td>
<td>$925,979</td>
<td>$1,008,106</td>
<td>$650,556</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2017-2018 Projects</td>
<td>Project Amount</td>
<td>Percent Funded</td>
<td>Impact Fee Expenditures</td>
<td>Non-Impact Fee Expenditures</td>
<td></td>
</tr>
<tr>
<td>Impact Fee Update</td>
<td>$32,085</td>
<td>4%</td>
<td>$1,433</td>
<td>$30,652</td>
<td></td>
</tr>
<tr>
<td>Lead Transfer Project - FY 16 &amp; 17 eligible costs</td>
<td>$86,599</td>
<td>100%</td>
<td>$86,599</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cherokee Express Feeder - FY 17 eligible costs</td>
<td>$408,562</td>
<td>100%</td>
<td>$408,562</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$527,246</td>
<td>$496,594</td>
<td>$30,652</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>FY 2016-2017 Projects</td>
<td>Project Amount</td>
<td>Percent Funded</td>
<td>Impact Fee Expenditures</td>
<td>Non-Impact Fee Expenditures</td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

#### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
<td>$83,914</td>
<td>$137,611</td>
<td></td>
</tr>
</tbody>
</table>

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>496,594</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>496,594</td>
</tr>
</tbody>
</table>
10. General City Facilities Fee Program (Fund 438)

The General City Facilities IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need for additional library building space, a remodel of the public safety building, updates to the City’s General Plan, and the IMFP, all of which are required to serve new development.

For purposes of the study, a plan based fee methodology was used. New development is responsible for 18.53% of the cost of the General Plan Update and the Public Safety Building Remodel and 100% of the cost for both the expansion of the library and fee program updates.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include a portion of the Citywide IMF fee update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the General City Facilities Fee is to fund general city facilities costs, including remodeling of the existing public safety building, updating the City’s general plan, library expansion, and fee program updates, attributable to the impact of new development.
2. The reasonable relationship between the General City Facilities Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
### Beginning balance July 1, 2017
$116,193

### Fees collected
$56,967

### Interest earned/market loss
$844

### Misc. revenue
-$

### Total
$57,811

### Disbursements

<table>
<thead>
<tr>
<th>Disbursement</th>
<th>Amount from Fee</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$1,070</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,070</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Ending balance June 30, 2018
$172,933

### Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Fee Update</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Update</td>
<td>$265</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total Projects Planned for FY 18/19</strong></td>
<td><strong>$265</strong></td>
<td></td>
</tr>
</tbody>
</table>
## General Facilities
### FUND: 438

**Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$29,286</td>
<td>$8,807</td>
<td>$127,527</td>
<td>$18,833</td>
<td>$56,967</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$264</td>
<td>$212</td>
<td>$1,339</td>
<td>$646</td>
<td>$844</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td>$57,811</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,070</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,070</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td>$56,740</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$(70,718)</td>
<td>$(41,169)</td>
<td>$(32,151)</td>
<td>$96,715</td>
<td>$116,193</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$(41,169)</td>
<td>$(32,151)</td>
<td>$96,715</td>
<td>$116,193</td>
<td>$172,933</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,335</td>
<td>$265</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$(41,169)</td>
<td>$(32,151)</td>
<td>$96,715</td>
<td>$114,858</td>
<td>$172,669</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY 2017-2018 Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>$1,070</td>
<td>$31,015</td>
<td>$31,015</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$32,085</td>
<td>$1,070</td>
<td>$31,015</td>
<td>$31,015</td>
<td></td>
</tr>
<tr>
<td>FY 2016-2017 Projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Five Year Revenue Test Using First in first Out Method</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available Revenue Current Year</td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td>$57,811</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$895</td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$55,861</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td></td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$23,780</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td></td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$43,072</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td></td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$(419,054)</td>
<td>$(152,293)</td>
<td>$(128,503)</td>
<td>$(72,053)</td>
<td>$(72,053)</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$(41,169)</td>
<td>$(32,151)</td>
<td>$96,715</td>
<td>$114,858</td>
<td>$172,669</td>
</tr>
<tr>
<td><strong>Five Year Expenditure to Revenue Match</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenses Allocation Current Year</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,070</td>
<td></td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,070</td>
</tr>
</tbody>
</table>
10. Art in Public Places Fee Program (Fund 434)

The General City Facilities IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City's contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a service standard of approximately $28 (in 2012 dollars) per person served in the City for public art. For purposes of the study, a plan based fee methodology was used based on the then existing inventory of art and its estimated value divided by the population served. New development is responsible for 100% of the new art at the $28 (in 2012 dollars) per person served standard.

Specific art pieces and specific locations for those pieces are not identified in the study, but will be determined as fee revenue becomes available.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include sidewalk chalk drawing, Cherokee Lane at Lodi Avenue Sculpture, Kettleman Lane Sculpture and Utility Box Art.

Required Findings
1. The purpose of the Art in Public Places Fee is to fund public art attributable to the impact of new development.
2. The reasonable relationship between the Art and Public Place Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is dependent on availability of sufficient fee revenue. Additional projects will be included in annual budgets as revenues become available.
Beginning balance July 1, 2017 $158,203

Fees collected $8,638
Interest earned/market loss $412
Misc. revenue $-
Total $9,051

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount</th>
<th>% Fee</th>
<th>Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$127</td>
<td>0.4%</td>
<td>FY 18</td>
</tr>
<tr>
<td>Bicycle Rack Project</td>
<td>$6,250</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Traffic Control Box Art</td>
<td>$2,650</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Repairs</td>
<td>$1,594</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Prior Years Administration Costs</td>
<td>$46,778</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$57,399</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $109,854

Planned projects for Fiscal Year 2018/19

| Project: Sidewalk Chalk Drawing | $15,000 | 100% | FY 19 |
| Project: Cherokee Ln/Lodi Ave Sculpture | $10,000 | 100% |
| Project: Kettleman Lane Sculpture | $7,500  | 100% |
| Project: Utility Box Art         | $5,500  | 100% |
| Project: Miscellaneous Art       | $12,000 | 100% |
| Total Projects Planned for FY 18/19 | $50,048 |       |
## Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$ 4,103</td>
<td>$ 1,584</td>
<td>$ 16,844</td>
<td>$ 3,903</td>
<td>$ 8,638</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$ 1,079</td>
<td>$ 650</td>
<td>$ 1,322</td>
<td>$ 831</td>
<td>$ 412</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 5,181</td>
<td>$ 2,234</td>
<td>$ 18,166</td>
<td>$ 4,734</td>
<td>$ 9,051</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$ -</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$ -</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>$ 46,778</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$ 6,950</td>
<td>$ 25,950</td>
<td>$ 5,259</td>
<td>$ 1,341</td>
<td>$ 10,621</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ 6,950</td>
<td>$ 25,950</td>
<td>$ 5,259</td>
<td>$ 1,341</td>
<td>$ 57,399</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$ (1,769)</td>
<td>$ (23,716)</td>
<td>$ 12,908</td>
<td>$ 3,393</td>
<td>$(48,349)</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$ 167,686</td>
<td>$ 165,918</td>
<td>$ 142,202</td>
<td>$ 154,810</td>
<td>$ 158,203</td>
</tr>
<tr>
<td>Miscellaneous Adjustments</td>
<td>$ -</td>
<td>- $</td>
<td>$ (300)</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$ 165,918</td>
<td>$ 142,202</td>
<td>$ 154,810</td>
<td>$ 158,203</td>
<td>$ 109,854</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>$ 175</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$ 165,918</td>
<td>$ 142,202</td>
<td>$ 154,810</td>
<td>$ 158,028</td>
<td>$ 109,806</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### FY 2017-2018 Projects

<table>
<thead>
<tr>
<th>Project Amount Expended</th>
<th>Percent Funded by Impac Fees</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 32,085</td>
<td>0.4%</td>
<td>$ 127</td>
</tr>
<tr>
<td>Bicycle Rack Project</td>
<td>$ 6,250</td>
<td>100%</td>
<td>$ 6,250</td>
</tr>
<tr>
<td>Traffic Control Box Art</td>
<td>$ 2,650</td>
<td>100%</td>
<td>$ 2,650</td>
</tr>
<tr>
<td>Repairs</td>
<td>$ 1,594</td>
<td>100%</td>
<td>$ 1,594</td>
</tr>
<tr>
<td>Prior Years Administration Costs</td>
<td>$ 46,778</td>
<td>100%</td>
<td>$ 46,778</td>
</tr>
<tr>
<td>Total</td>
<td>$ 89,357</td>
<td>-</td>
<td>$ 57,399</td>
</tr>
</tbody>
</table>

### FY 2016-2017 Projects

<table>
<thead>
<tr>
<th>Project Amount Expended</th>
<th>Percent Funded by Impac Fees</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legion Park Crane</td>
<td>$ 108</td>
<td>100%</td>
<td>$ 108</td>
</tr>
<tr>
<td>Traffic Control Box Art</td>
<td>$ 1,233</td>
<td>100%</td>
<td>$ 1,233</td>
</tr>
<tr>
<td>Total</td>
<td>$ 1,341</td>
<td>-</td>
<td>$ 1,432</td>
</tr>
</tbody>
</table>

### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Current Year</td>
<td>$ 5,181</td>
<td>$ 2,234</td>
<td>$ 18,166</td>
<td>$ 4,734</td>
<td>$ 9,051</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$ 502</td>
<td>$ 5,181</td>
<td>$ 2,234</td>
<td>$ 18,166</td>
<td>$ 4,734</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$ 16,504</td>
<td>$ 502</td>
<td>$ 5,181</td>
<td>$ 2,234</td>
<td>$ 18,166</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$ 6,307</td>
<td>$ 16,504</td>
<td>$ 502</td>
<td>$ 5,181</td>
<td>$ 2,234</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$ 1,517</td>
<td>$ 6,307</td>
<td>$ 16,504</td>
<td>$ 502</td>
<td>$ 5,181</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$ 135,906</td>
<td>$ 111,473</td>
<td>$ 112,222</td>
<td>$ 127,210</td>
<td>$ 70,440</td>
</tr>
<tr>
<td>Total Revenue Available</td>
<td>$ 165,918</td>
<td>$ 142,202</td>
<td>$ 154,810</td>
<td>$ 158,028</td>
<td>$ 109,806</td>
</tr>
</tbody>
</table>

### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Current Year</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
<td>- $</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$ 6,950</td>
<td>$ 25,950</td>
<td>$ 5,259</td>
<td>$ 1,341</td>
<td>$ 57,399</td>
</tr>
<tr>
<td>Total Annual Expenditures</td>
<td>$ 6,950</td>
<td>$ 25,950</td>
<td>$ 5,259</td>
<td>$ 1,341</td>
<td>$ 57,399</td>
</tr>
</tbody>
</table>
## Development Impact Mitigation Fees

**July 1, 2017 through June 30, 2018**

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Police Fee/Unit</th>
<th>Fire Fee/Unit</th>
<th>Citywide Park Fee/Unit</th>
<th>Neighborhood Park Fee/Unit</th>
<th>General City Facilities Fee/Unit</th>
<th>Art In Public Place Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$711</td>
<td>$753</td>
<td>$385</td>
<td>$3,890</td>
<td>$2,541</td>
<td>$617</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$386</td>
<td>$634</td>
<td>$324</td>
<td>$3,276</td>
<td>$2,140</td>
<td>$519</td>
</tr>
<tr>
<td>High Density</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
</tr>
<tr>
<td>Infill (10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
</tr>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$289</td>
<td>$307</td>
<td>$157</td>
<td>$1,584</td>
<td>$1,016</td>
<td>$251</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$157</td>
<td>$258</td>
<td>$132</td>
<td>$1,334</td>
<td>$856</td>
<td>$211</td>
</tr>
<tr>
<td>High Density</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
</tr>
<tr>
<td>Infill (10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Storm Drain Zone 1 Fee/Unit</th>
<th>Storm Drain Zone 2 Fee/Unit</th>
<th>South WW Trunk Fee/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$1,394</td>
<td>$4,237</td>
<td>$1,181</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$697</td>
<td>$2,118</td>
<td>$994</td>
</tr>
<tr>
<td>High Density</td>
<td>$228</td>
<td>$627</td>
<td>$337</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Storm Drain Fee/Acre</th>
<th>Storm Drain Fee/Acre</th>
<th>South WW Fee/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$14,640</td>
<td>$44,485</td>
<td>$1,096</td>
</tr>
<tr>
<td>Office/Medical</td>
<td>$14,640</td>
<td>$44,485</td>
<td>$1,096</td>
</tr>
<tr>
<td>Industrial</td>
<td>$15,686</td>
<td>$47,663</td>
<td>$1,096</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Meter Size</th>
<th>Water Fee</th>
<th>Sewer Fee</th>
<th>Water Fee</th>
<th>Sewer Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>5/8&quot;</td>
<td>$2,079</td>
<td>$2,831</td>
<td>$2,079</td>
<td>$2,831</td>
</tr>
<tr>
<td>Non-Residential</td>
<td>3/4&quot;</td>
<td>$3,103</td>
<td>$4,225</td>
<td>$3,103</td>
<td>$4,225</td>
</tr>
<tr>
<td></td>
<td>1&quot;</td>
<td>$5,181</td>
<td>$7,056</td>
<td>$5,181</td>
<td>$7,056</td>
</tr>
<tr>
<td></td>
<td>1 1/2&quot;</td>
<td>$10,332</td>
<td>$14,070</td>
<td>$10,332</td>
<td>$14,070</td>
</tr>
<tr>
<td></td>
<td>2&quot;</td>
<td>$16,537</td>
<td>$22,521</td>
<td>$16,537</td>
<td>$22,521</td>
</tr>
<tr>
<td></td>
<td>3&quot;</td>
<td>$31,026</td>
<td>$42,253</td>
<td>$31,026</td>
<td>$42,253</td>
</tr>
<tr>
<td></td>
<td>4&quot;</td>
<td>$51,721</td>
<td>$70,435</td>
<td>$51,721</td>
<td>$70,435</td>
</tr>
<tr>
<td></td>
<td>6&quot;</td>
<td>$103,411</td>
<td>$140,828</td>
<td>$103,411</td>
<td>$140,828</td>
</tr>
<tr>
<td></td>
<td>8&quot;</td>
<td>$165,464</td>
<td>$225,333</td>
<td>$165,464</td>
<td>$225,333</td>
</tr>
<tr>
<td></td>
<td>10&quot;</td>
<td>$237,880</td>
<td>$323,951</td>
<td>$237,880</td>
<td>$323,951</td>
</tr>
</tbody>
</table>

## Residential Reduced Fees

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Police Fee/Unit</th>
<th>Fire Fee/Unit</th>
<th>Citywide Park Fee/Unit</th>
<th>Neighborhood Park Fee/Unit</th>
<th>General City Facilities Fee/Unit</th>
<th>Art In Public Place Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Density</td>
<td>$289</td>
<td>$307</td>
<td>$157</td>
<td>$1,584</td>
<td>$1,016</td>
<td>$251</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$157</td>
<td>$258</td>
<td>$132</td>
<td>$1,334</td>
<td>$856</td>
<td>$211</td>
</tr>
<tr>
<td>High Density</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
</tr>
<tr>
<td>Infill (10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
</tr>
</tbody>
</table>
## Electrical Fees

### Non-Residential Three Phase

<table>
<thead>
<tr>
<th>Panel Size (amps)</th>
<th>208 Volts</th>
<th>240 Volts</th>
<th>480 Volts</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>$1,178</td>
<td>$1,359</td>
<td>$2,718</td>
</tr>
<tr>
<td>400</td>
<td>$2,356</td>
<td>$2,718</td>
<td>$5,437</td>
</tr>
<tr>
<td>600</td>
<td>$3,534</td>
<td>$4,077</td>
<td>$8,155</td>
</tr>
<tr>
<td>800</td>
<td>$4,712</td>
<td>$5,437</td>
<td>$10,873</td>
</tr>
<tr>
<td>1,000</td>
<td>$5,890</td>
<td>n/a</td>
<td>$13,591</td>
</tr>
<tr>
<td>1,200</td>
<td>$7,068</td>
<td>N/A</td>
<td>$16,310</td>
</tr>
<tr>
<td>1,600</td>
<td>$9,423</td>
<td>n/a</td>
<td>$21,746</td>
</tr>
<tr>
<td>2,000</td>
<td>$11,779</td>
<td>n/a</td>
<td>$27,183</td>
</tr>
<tr>
<td>2,500</td>
<td>$14,724</td>
<td>n/a</td>
<td>$33,979</td>
</tr>
<tr>
<td>3,000</td>
<td>$17,669</td>
<td>n/a</td>
<td>$40,774</td>
</tr>
</tbody>
</table>

### Residential Single Phase

<table>
<thead>
<tr>
<th>Panel Size (amps)</th>
<th>208 Volts</th>
<th>240 Volts</th>
<th>480 Volts</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td>100</td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td>125</td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td>200</td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td>400</td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td>600</td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
</tbody>
</table>

### Non-Residential Single Phase

<table>
<thead>
<tr>
<th>Panel Size (amps)</th>
<th>208 Volts</th>
<th>240 Volts</th>
<th>480 Volts</th>
</tr>
</thead>
<tbody>
<tr>
<td>60</td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td>100</td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td>125</td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td>200</td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td>400</td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td>600</td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. Panel upgrade fees are determined as the difference between the fee for the existing panel and the proposed panel.
11. Regional Transportation Impact Fee Program (Fund 314)

The Regional Transportation Impact Fee (RTIF) is a county-wide, multi jurisdiction capital improvement funding program intended to cover a portion of the costs for new transportation facilities required to serve new development within the County of San Joaquin.

New development throughout the county is subject to the fee. The funding derived from the RTIF program is used in combination with other funding available to complete the needed transportation and transit improvements. More information on the program, including the RTIF Annual Report, including the most recent Nexus report, can be found at www.sjcog.org.

Due to the regional nature of transportation impacts and the regional benefit of transportation improvements, it is likely that many projects utilizing RTIF funds collected by the City of Lodi will actually be located outside the City’s boundaries. The relationship between the impacts and benefits of the development and those projects is identified in the Nexus Study.

Required Findings
1. The purpose of the RTIF program is to provide new development’s share of funding for regional transportation improvements facilities as required at build-out of the region.
2. The reasonable relationship between the RTIF fee and the purpose for which it is charged is demonstrated in the San Joaquin Regional Transportation Impact Fee Nexus Study dated April 24, 2017, amended June 2018.
3. The sources and amounts of funding anticipated necessary to complete RTIF improvements are in the San Joaquin Regional Transportation Impact Fee Nexus Study dated April 24, 2017, amended June 2018. The potential sources of funding for existing development’s share is gas tax, and other local, state, and federal funding.
4. The approximate date for funding and constructing some new facilities is shown in the SJCOG Regional Congestions Management Program report.
Beginning balance July 1, 2017  $ 1,289,223

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees collected</td>
<td>$ 585,263</td>
</tr>
<tr>
<td>Interest earned/market loss</td>
<td>$ 4,002</td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 589,265</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harney Lane Grade Separation</td>
<td>$ 883,247</td>
<td>18% FY 18</td>
</tr>
<tr>
<td>Total</td>
<td>$ 883,247</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018  $ 995,241

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Project: Harney Lane Grade Separation</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 7,154</td>
<td>100% FY 19</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$ 7,154</td>
<td></td>
</tr>
</tbody>
</table>
### Regional Transportation
**FUND: 314**

Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$32,372</td>
<td>$90,121</td>
<td>$671,994</td>
<td>$983,822</td>
<td>$585,263</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$4,669</td>
<td>$2,397</td>
<td>$7,422</td>
<td>$4,565</td>
<td>$4,002</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$37,041</td>
<td>$92,519</td>
<td>$679,417</td>
<td>$988,387</td>
<td>$589,265</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>-</td>
<td>$505,815</td>
<td>$261,161</td>
<td>$449,530</td>
<td>$883,247</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>-</td>
<td>$505,815</td>
<td>$261,161</td>
<td>$449,530</td>
<td>$883,247</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$37,041</td>
<td>(413,296)</td>
<td>$418,256</td>
<td>$538,857</td>
<td>(293,982)</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$708,366</td>
<td>$745,407</td>
<td>$332,111</td>
<td>$750,367</td>
<td>$1,289,223</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$745,407</td>
<td>$332,111</td>
<td>$750,367</td>
<td>$1,289,223</td>
<td>$995,241</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>-</td>
<td>-</td>
<td>$422,205</td>
<td>$298,414</td>
<td>$7,154</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$745,407</td>
<td>$332,111</td>
<td>$328,161</td>
<td>$990,809</td>
<td>$988,088</td>
</tr>
</tbody>
</table>

**Capital Improvement Projects**

<table>
<thead>
<tr>
<th>FY 2017-2018 Projects</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harney Lane Grade Separation</td>
<td>$4,969,242</td>
<td>18%</td>
<td>$883,247</td>
<td>$4,085,995</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,969,242</td>
<td>$883,247</td>
<td>$4,085,995</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2016-2017 Projects</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harney Lane Grade Separation</td>
<td>$6,634,978</td>
<td>7%</td>
<td>$449,530</td>
<td>$6,185,448</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,634,978</td>
<td>$449,530</td>
<td>$6,185,448</td>
<td></td>
</tr>
</tbody>
</table>

**Five Year Revenue Test Using First in first Out Method**

| Available Revenue Current Year  | $37,041        | $92,519        | $679,417   | $988,387       | $589,265   |
| Available Revenue Prior Fiscal Year (2-yr Old Funds) | $411,444        | $37,041        | $92,519    | $679,417       | $988,387   |
| Available Revenue Prior Fiscal Year (3-yr Old Funds) | $149,460        | $411,444       | $37,041    | $92,519        | $679,417   |
| Available Revenue Prior Fiscal Year (4-yr Old Funds) | $217,316        | $149,460       | $411,444   | $37,041        | $92,519    |
| Available Revenue Prior Fiscal Year (5-yr Old Funds) | $33,704         | $217,316       | $149,460   | $411,444       | $37,041    |
| Available Revenue Greater than five Prior Fiscal Years | $(103,558)      | $(575,669)     | $(1,041,719)| $(1,217,997)   | $(1,398,540) |
| **Total Revenue Available**    | $745,407       | $332,111       | $328,161   | $990,809       | $988,088   |

**Five Year Expenditure to Revenue Match**

| Expenses Allocation Current Year | -              | $92,519       | $261,161   | $382,530       | $277,391  |
| Expenses Allocation Prior Fiscal Year (2-yr Old Funds) | -            | $37,041       | -           | $67,000        | $605,857  |
| Expenses Allocation Prior Fiscal Year (3-yr Old Funds) | -            | $202,551      | -           | -              | -        |
| Expenses Allocation Prior Fiscal Year (4-yr Old Funds) | -            | -             | -           | -              | -        |
| Expenses Allocation Prior Fiscal Year (5-yr Old Funds) | -            | -             | -           | -              | -        |
| Expense Allocation Greater than Five Prior Fiscal Years | -            | -             | -           | -              | -        |
| **Total Annual Expenditures**   | -              | $505,815      | $261,161   | $449,530       | $883,247  |
### Regional Transportation Impact Fee
July 1, 2017 through June 30, 2018

<table>
<thead>
<tr>
<th>Land Use Type</th>
<th>Current Fee Schedule</th>
<th>Annual Change @ 2.75%</th>
<th>FY 17/18 RTIF Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (Single Family DUE)</td>
<td>$3,223.01</td>
<td>$88.63</td>
<td>$3,311.64</td>
</tr>
<tr>
<td>Residential (Multi-Family DUE)</td>
<td>$1,933.80</td>
<td>$53.18</td>
<td>$1,986.98</td>
</tr>
<tr>
<td>Retail (Sq. Ft.)</td>
<td>$1.28</td>
<td>$0.04</td>
<td>$1.32</td>
</tr>
<tr>
<td>Office (Sq. Ft.)</td>
<td>$1.62</td>
<td>$0.04</td>
<td>$1.66</td>
</tr>
<tr>
<td>Commercial/Industrial (Sq. Ft.)</td>
<td>$0.97</td>
<td>$0.03</td>
<td>$1.00</td>
</tr>
<tr>
<td>Warehouse (Sq. Ft.)</td>
<td>$0.41</td>
<td>$0.01</td>
<td>$0.42</td>
</tr>
<tr>
<td>*Other (per Trip)</td>
<td>$142.20</td>
<td>$(40.08)</td>
<td>$102.12</td>
</tr>
</tbody>
</table>

*Alternative fee calculation method for non-retail, non-residential development projects not otherwise adequately represented in the six land-use categories; typically projects with minimal or no building area that would nonetheless generate impacts to the transportation network. Examples include mining, intermodal and recreational facilities.*
RESOLUTION NO. 2019-____

A RESOLUTION OF THE LODI CITY COUNCIL
APPROVING THE IMPACT MITIGATION FEE PROGRAM
ANNUAL REPORT FOR FISCAL YEAR 2017/18; APPROVING
LOAN TERMS FOR THE LOAN FROM THE WATER IMPACT
MITIGATION FEE PROGRAM TO THE FIRE IMPACT
MITIGATION FEE PROGRAM; AND FURTHER APPROVING
WAIVING OF INTEREST ACCRUED

WHEREAS, in accordance with the State’s annual reporting requirements, certain
findings are required to be made regarding unexpended development impact fees in connection
with consideration of the annual development impact fee report; and

WHEREAS, the Impact Mitigation Fee Program Annual Report for Fiscal Year 2017/18
identifies impact fee programs for which there are unexpended development impact fees for
which findings are required and the required findings are included in the report; and

WHEREAS, loans made from one Impact Mitigation Fee Program to another require an
interest rate.

NOW, THEREFORE BE IT RESOLVED that the Lodi City Council does hereby:

1. Approve the Impact Mitigation Fee (IMF) Program Annual Report for Fiscal Year
   2017/18, as shown in Exhibit A and made a part of this Resolution; and

2. Approve Loan Terms, including a restated loan schedule and interest rate for the
   loan issued from Water IMF to Fire IMF, as shown in Exhibit B and made a part of
   this Resolution; and

3. Approve waiving the interest through June 30, 2015, for the loan issued from the

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City
Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIIOLO
City Clerk

2019-____
Annual Impact Mitigation Fee Program Report  
For the City of Lodi  
For Fiscal Year 2017-18

This report contains information on the City of Lodi’s Impact Mitigation Fee Programs (IMFP) for Fiscal Year 2017-18. This information is presented to comply with the annual reporting requirements contained in Government Code section 66000 et seq., also known as AB1600. Please note that this annual report is not a budget document or audited financial statement; rather, it is compiled to meet reporting requirements. It reports revenues and expenditures for Fiscal Year 2017-18, and planned projects. The City is working to develop a formal Capital Improvement Program (CIP) with the FY 2019-20 budget cycle and projects listed in this report will be recommended to Council for inclusion in the 2019-2024 CIP. This report summarizes revenue and expenditure activity and fund balance since FY2013-14, and provides a 5-year revenue test using oldest revenues first to fund expenditures as required by AB 1600.

Government Code 66006 requires local agencies to submit annual and five-year reports detailing the status of the IMFP. The annual report must be made available to the public within 180 days after the last day of the fiscal year, and must be presented to the public agency (City Council) at least 15 days after it is made available to the public.

This report summarizes the following information for each of the development fee programs:

1. A brief description of the fee program.

2. Schedule of fees.

3. Beginning and ending balances of the fee program.

4. Amount of fees collected, interest earned, and transfers/loans.

5. Disbursement information (including interfund transfers/loans) and percentage of the project funded by fees.

6. A description of each interfund loan along with the date the loan will be repaid and the rate of interest.

7. The estimated date when projects will begin if sufficient revenues are available to construct the project.

8. Findings for each fee program.

More detailed information on certain elements of the various fees within the IMFP is available through other documents such as the Nexus Study approved by Resolution 2012-142, the IMFP Amendment approved by Resolution 2013-184, Resolution 2016-88 which eliminated previously authorized fee reductions enacted
to incentivize development, and the City’s Annual Budget. In the future, the CIP will contain relevant program information as well. The City does not earmark IMFP revenue for any specific project as the fees are collected; rather, the fees are applied toward a series of capital improvement projects authorized within the specific IMFP. No refunds were made during Fiscal Year 2017/18 pursuant to subdivision (e) of Section 66001 and any allocation pursuant to subdivision (f) of Section 66001.
TABLE OF CONTENTS

Citywide Impact Mitigation Fee Program

Presentation of Information by Fund.................................................4

City Impact Mitigation Fee Schedule..............................................5

Impact Mitigation Fee Programs
  Water ..........................................................................................7
  Wastewater ..................................................................................10
  Storm Drainage ...........................................................................14
  Transportation .............................................................................17
  Police ..........................................................................................20
  Fire ...............................................................................................23
  Parks ............................................................................................28
  Electric Utility .............................................................................31
  General City Facilities ...............................................................34
  Art in Public Place .......................................................................37
  City of Lodi Fee Schedule .........................................................40
  Regional Transportation ............................................................42
Presentation of Information by Fund

This report presents information by Fund starting with a summary overview of FY2017/18 Revenues and Expenses, FY2017/18 Project disbursements, and Projects for FY2018/19. Following this overview is a more detailed 5-year review of revenues and expenses and fund balance to demonstrate both the collection and use of the fees over time.

The report presents the total FY2017/18 and FY2016/17 Project Amounts funded from impact fees and the percent funded from non-fee sources. The revenue table identifies the age of the total revenue available or available fund balance by demonstrating which fiscal year received the revenue. The 5-year Expenditure table presents the use of revenue collected in the year that funded the project. This demonstrates that the oldest revenue is spent before new funds, also known as the First-in, First-out (FIFO) basis.
City Impact Mitigation Fee Schedule

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Fee/Unit</th>
<th>Police Fee/Unit</th>
<th>Fire Fee/Unit</th>
<th>Citywide Park Fee/Unit</th>
<th>Neighborhood Park Fee/Unit</th>
<th>General City Facilities Fee/Unit</th>
<th>Art In Public Place Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$711</td>
<td>$753</td>
<td>$385</td>
<td>$3,890</td>
<td>$2,541</td>
<td>$617</td>
<td>$80</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$386</td>
<td>$634</td>
<td>$324</td>
<td>$3,276</td>
<td>$2,140</td>
<td>$519</td>
<td>$67</td>
</tr>
<tr>
<td>High Density¹</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td>Infill¹ (10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$1,199</td>
<td>$330</td>
<td>$338</td>
<td>$406</td>
<td>$266</td>
<td>$270</td>
<td>$35</td>
</tr>
<tr>
<td>Office/Medical</td>
<td>$872</td>
<td>$528</td>
<td>$540</td>
<td>$650</td>
<td>$428</td>
<td>$433</td>
<td>$56</td>
</tr>
<tr>
<td>Industrial</td>
<td>$443</td>
<td>$176</td>
<td>$180</td>
<td>$217</td>
<td>N/A</td>
<td>$144</td>
<td>$19</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Storm Drain Zone 1 Fee/Unit</th>
<th>Storm Drain Zone 2 Fee/Unit</th>
<th>South WW Trunk Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$1,394</td>
<td>$4,237</td>
<td>$1,181</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$697</td>
<td>$2,118</td>
<td>$994</td>
</tr>
<tr>
<td>High Density¹</td>
<td>$228</td>
<td>$627</td>
<td>$337</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Storm Drain Fee/Acre</th>
<th>Storm Drain Fee/Acre</th>
<th>South WW Fee/Acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$14,640</td>
<td>$44,485</td>
<td>$1,096</td>
</tr>
<tr>
<td>Office/Medical</td>
<td>$14,640</td>
<td>$44,485</td>
<td>N/A</td>
</tr>
<tr>
<td>Industrial</td>
<td>$15,686</td>
<td>$47,663</td>
<td>N/A</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Residential Water Fee</th>
<th>Residential Sewer Fee</th>
<th>Non-Residential Water Fee</th>
<th>Non-Residential Sewer Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>5/8&quot;</td>
<td>$2,079</td>
<td>$2,831</td>
<td>$2,079</td>
<td>$2,831</td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$3,103</td>
<td>$4,225</td>
<td>$3,103</td>
<td>$4,225</td>
</tr>
<tr>
<td>1&quot;</td>
<td>$5,181</td>
<td>$7,056</td>
<td>$5,181</td>
<td>$7,056</td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$10,332</td>
<td>$14,070</td>
<td>$10,332</td>
<td>$14,070</td>
</tr>
<tr>
<td>2&quot;</td>
<td>$16,537</td>
<td>$22,521</td>
<td>$16,537</td>
<td>$22,521</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$31,026</td>
<td>$42,253</td>
<td>$31,026</td>
<td>$42,253</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$51,721</td>
<td>$70,435</td>
<td>$51,721</td>
<td>$70,435</td>
</tr>
<tr>
<td>6&quot;</td>
<td>$103,411</td>
<td>$140,828</td>
<td>$106,411</td>
<td>$140,828</td>
</tr>
<tr>
<td>8&quot;</td>
<td>$165,464</td>
<td>$225,333</td>
<td>$165,464</td>
<td>$225,333</td>
</tr>
<tr>
<td>10&quot;</td>
<td>$237,880</td>
<td>$323,951</td>
<td>$237,880</td>
<td>$323,951</td>
</tr>
</tbody>
</table>

¹ Fees Effective until December 31, 2019. Fees not subject to annual inflationary increases.
## Residential Reduced Fees

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Fee/Unit</th>
<th>Police Fee/Unit</th>
<th>Fire Fee/Unit</th>
<th>Citywide Park Fee/Unit</th>
<th>Neighborhood Fee/Unit</th>
<th>General City Fee/Unit</th>
<th>Art In Public Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Density</td>
<td>$289</td>
<td>$307</td>
<td>$157</td>
<td>$1,584</td>
<td>$1,016</td>
<td>$251</td>
<td>$33</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$157</td>
<td>$258</td>
<td>$132</td>
<td>$1,334</td>
<td>$856</td>
<td>$211</td>
<td>$27</td>
</tr>
<tr>
<td>High Density(^1)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td>Infill(^1)</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
<td></td>
</tr>
</tbody>
</table>

### 1. Fees effective until December 31, 2019. Fees not subject to annual inflationary increases.

### Electrical Fees

<table>
<thead>
<tr>
<th>Panel Category</th>
<th>Panel Size (amps)</th>
<th>208 Volts</th>
<th>240 Volts</th>
<th>480 Volts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Residential Three Phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>$1,178</td>
<td>$1,359</td>
<td>$2,718</td>
</tr>
<tr>
<td></td>
<td>400</td>
<td>$2,356</td>
<td>$2,718</td>
<td>$5,437</td>
</tr>
<tr>
<td></td>
<td>600</td>
<td>$3,534</td>
<td>$4,077</td>
<td>$8,155</td>
</tr>
<tr>
<td></td>
<td>800</td>
<td>$4,712</td>
<td>$5,437</td>
<td>$10,873</td>
</tr>
<tr>
<td></td>
<td>1,000</td>
<td>$5,890</td>
<td>n/a</td>
<td>$13,591</td>
</tr>
<tr>
<td></td>
<td>1,200</td>
<td>$7,068</td>
<td>N/A</td>
<td>$16,310</td>
</tr>
<tr>
<td></td>
<td>1,600</td>
<td>$9,423</td>
<td>n/a</td>
<td>$21,746</td>
</tr>
<tr>
<td></td>
<td>2,000</td>
<td>$11,779</td>
<td>n/a</td>
<td>$27,183</td>
</tr>
<tr>
<td></td>
<td>2,500</td>
<td>$14,724</td>
<td>n/a</td>
<td>$33,979</td>
</tr>
<tr>
<td></td>
<td>3,000</td>
<td>$17,669</td>
<td>n/a</td>
<td>$40,774</td>
</tr>
<tr>
<td>Residential Single Phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>125</td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>400</td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>600</td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
<tr>
<td>Non-Residential Single Phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>60</td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>100</td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>125</td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>200</td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>400</td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td></td>
<td>600</td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. Panel upgrade fees are determined as the difference between the fee for the existing panel and the proposed panel.

1. Fees effective until December 31, 2019. Fees not subject to annual inflationary increases.
Water Fee (Fund 562)

The Water IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City's contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a current over build of treatment capacity and a need for new water supply facilities at buildout. The total estimated cost of treatment facilities was included in the Nexus Study and totaled $71.6 Million in 2012 dollars (including debt service). The total estimated new water supply facilities cost was included in the Nexus Study and totaled $4 Million in 2012 dollars.

For purposes of the 2012 study, a plan-based fee calculation methodology was used. Each unit was assumed to receive a blended water supply of groundwater and surface water consistent with the system wide ratios of ground water to surface water supplies. For treatment, 18.68% of costs are attributable to new development. For supply, 100% of the costs are attributable to new development. There is no existing deficiency as current treatment and storage needs are met by current facilities.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include a portion of the Citywide IMF program update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the Water Fee is to fund water costs, including construction of a new storage tank, construction of a new well, and a proportionate share of treatment capacity.
2. The reasonable relationship between the Water Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete the future City water facilities or to fund new development’s proportionate share of existing facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for funding and constructing the new water supply facility is not known at this time due to the City’ slow rate of growth, but will be necessary to serve cumulative new development. Debt service for the treatment plant is scheduled to continue through June 1, 2040. Additional projects will be included in future year CIP documents.
Beginning balance July 1, 2017 $1,782,303
Less loan receivable $(1,024,025)
Restated beginning balance July 1, 2017 $758,278

Fees collected $362,481
Interest earned/market loss $396
Misc. revenue $
Total $362,877

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount</th>
<th>% Fee</th>
<th>Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$5,387</td>
<td>17%</td>
<td>FY 18</td>
</tr>
<tr>
<td>Total</td>
<td>$5,387</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $2,139,793
Plus loan receivable $984,025
Restated ending balance June 30, 2018 $3,123,818

<table>
<thead>
<tr>
<th>Planned projects for Fiscal Year 2018/19</th>
<th>Amount</th>
<th>% Fee</th>
<th>Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$1,328</td>
<td>17%</td>
<td>FY 19</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$1,328</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Beginning and ending balance reflects loan receivable balance due to the Water IMF Fee from the Fire IMF Fee.
<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$ 60,001</td>
<td>$ 20,299</td>
<td>$ 332,765</td>
<td>$ 206,847</td>
<td>$ 362,481</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$ 407</td>
<td>$ 259</td>
<td>$ 1,749</td>
<td>$ 2,865</td>
<td>$ 396</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$ 60,408</td>
<td>$ 20,558</td>
<td>$ 334,514</td>
<td>$ 209,712</td>
<td>$ 362,877</td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 5,387</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$ 60,408</td>
<td>$ 20,558</td>
<td>$ 334,514</td>
<td>$ 209,712</td>
<td>$ 357,490</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$ 1,157,110</td>
<td>$ 1,217,519</td>
<td>$ 1,238,076</td>
<td>$ 1,372,591</td>
<td>$ 1,782,303</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$ 1,217,519</td>
<td>$ 1,128,076</td>
<td>$ 1,572,591</td>
<td>$ 1,782,303</td>
<td>$ 2,139,793</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 6,715</td>
<td>$ 1,328</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$ 1,217,519</td>
<td>$ 1,128,076</td>
<td>$ 1,572,591</td>
<td>$ 1,775,588</td>
<td>$ 2,138,465</td>
</tr>
</tbody>
</table>

**Capital Improvement Projects**

<table>
<thead>
<tr>
<th>FY 2017-2018 Projects</th>
<th>Project Amount</th>
<th>Percent Funded by Impact Fees</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 32,085</td>
<td>17%</td>
<td>$ 5,387</td>
<td>$ 26,698</td>
</tr>
<tr>
<td>Total</td>
<td>$ 32,085</td>
<td></td>
<td>$ 5,387</td>
<td>$ 26,698</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2016-2017 Projects</th>
<th>Project Amount</th>
<th>Percent Funded by Impact Fees</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>$ -</td>
<td></td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ -</td>
<td></td>
<td>$ -</td>
<td>$ -</td>
</tr>
</tbody>
</table>

Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 60,408</td>
<td>$ 20,558</td>
<td>$ 334,514</td>
<td>$ 209,712</td>
<td>$ 362,877</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$ 2,856</td>
<td>$ 60,408</td>
<td>$ 20,558</td>
<td>$ 334,514</td>
<td>$ 209,712</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$ 110,866</td>
<td>$ 2,856</td>
<td>$ 60,408</td>
<td>$ 20,558</td>
<td>$ 334,514</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$ 15,545</td>
<td>$ 110,866</td>
<td>$ 2,856</td>
<td>$ 60,408</td>
<td>$ 20,558</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$ 267,789</td>
<td>$ 15,545</td>
<td>$ 110,866</td>
<td>$ 2,856</td>
<td>$ 60,408</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$ 760,054</td>
<td>$ 1,027,843</td>
<td>$ 1,043,389</td>
<td>$ 1,147,540</td>
<td>$ 1,150,395</td>
</tr>
<tr>
<td>Total Revenue Available</td>
<td>$ 1,217,519</td>
<td>$ 1,128,076</td>
<td>$ 1,572,591</td>
<td>$ 1,775,588</td>
<td>$ 2,138,465</td>
</tr>
</tbody>
</table>

Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 5,387</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Expense Allocation Greater than five Prior Fiscal Years</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 5,387</td>
</tr>
<tr>
<td>Total Annual Expenditures</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 5,387</td>
</tr>
</tbody>
</table>
2. Wastewater Fee Program (Fund 533)

**Wastewater Treatment IMF**
The Wastewater Treatment IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need for the South Wastewater Trunk Line to support development in the southern area of the City. New development will be required to fund a proportionate share of existing overbuilt infrastructure and future infrastructure required to serve new development needs (including potential financing costs). Only properties benefiting from the South Wastewater Trunk Line will be required to pay this fee.

For purposes of the study, a plan-based fee calculation methodology was used. There are no existing deficiencies in this fee program. This fee program uses a full buildout projection, rather than the 2035 projection because the facilities will serve the entire buildout population.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

There currently are no projects programmed in this fund as all facilities have been constructed.

**Required Findings**
1. The purpose of the Wastewater Fee is to fund wastewater costs, including a proportionate share of the wastewater treatment plant.
2. The reasonable relationship between the Wastewater Treatment Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 15, 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete the future City wastewater facilities or to fund new development’s proportionate share of existing facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. Facilities in this program have already been constructed. Fee revenue pays development’s proportionate cost of currently overbuilt facilities. Current debt service is scheduled to continue through October 1, 2037.

**South Wastewater Trunk Line IMF**
The Wastewater Treatment IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.
The 2012 Nexus Study identified a current over build of wastewater treatment capacity and no need for additional treatment facilities at buildout. Current facilities are built such that 100% of the facilities needed to serve new development at buildout have already been constructed and financed. Wastewater fee revenue will be used solely to fund debt service on bonds issued to deliver improvements.

For purposes of the study, a plan-based incremental cost fee calculation methodology was used. Debt instruments have been issued at various times for the different phases of wastewater improvements. In all, 45.3% of outstanding debt is attributable to new development and up to 45.3% of outstanding debt costs as of August 2012 can be paid for from the Wastewater Fee. There are no existing deficiencies as 100% of buildout needs are served by current infrastructure.

This zone based IMF program funds new development's fair share of the South Wastewater Trunk Line serving the South Area.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include a portion of the City wide IMF update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the South Wastewater Trunk Line Fee is to fund costs associated with the South Sewer Trunk Line that is required to serve future development in the South Area.
2. The reasonable relationship between the South Wastewater Trunk Line Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete the future South Sewer Trunk Line are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for fully funding and constructing the complete South Wastewater Trunk Line is not known at this time due to the City’s slow rate of growth, but will be necessary to serve cumulative new development.
Beginning balance July 1, 2017  $ 834,849
Fees collected $ 585,173
Interest earned/market loss $ 7,836
Misc. revenue
Total $ 593,009

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount from Fee</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 7,336</td>
<td>23%</td>
</tr>
<tr>
<td>Debt Service - Future Users</td>
<td>$ 500,000</td>
<td>23%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 507,336</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 920,523

Planned projects for Fiscal Year 2018/19
Fee Update $ 1,809 23%
Total Projects Planned for FY 18/19 $ 1,809
## FY 2013/14

### Revenues

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees Collected</td>
<td>$ 45,777</td>
<td>$ 76,480</td>
<td>$ 421,048</td>
<td>$ 560,702</td>
<td>$ 585,173</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$ 3,116</td>
<td>$ 1,583</td>
<td>$ 5,211</td>
<td>$ 5,158</td>
<td>$ 7,836</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$ 48,893</strong></td>
<td><strong>$ 78,062</strong></td>
<td><strong>$ 426,259</strong></td>
<td><strong>$ 565,860</strong></td>
<td><strong>$ 593,009</strong></td>
</tr>
</tbody>
</table>

### Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>$ -</td>
<td>$ 100,000</td>
<td>$ 200,000</td>
<td>-</td>
<td>$ 500,000</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 100,000</strong></td>
<td><strong>$ 200,000</strong></td>
<td>-</td>
<td><strong>$ 507,336</strong></td>
</tr>
</tbody>
</table>

### Revenue Less Expenditures

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue Less Expenditures</td>
<td>$ 48,893</td>
<td>$ (21,938)</td>
<td>$ 226,259</td>
<td>$ 565,860</td>
<td>$ 85,673</td>
</tr>
</tbody>
</table>

### Fund Balance, Beginning of Year

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$ 15,775</td>
<td>$ 64,668</td>
<td>$ 42,730</td>
<td>$ 268,989</td>
<td>$ 834,849</td>
</tr>
</tbody>
</table>

### Capital Improvement Projects

#### FY 2017-2018 Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>Expended</th>
<th>Percent Funded</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 32,085</td>
<td>23%</td>
<td>$ 7,336</td>
<td>$ 24,749</td>
</tr>
<tr>
<td>Debt Service - Future Users</td>
<td>$ 2,178,392</td>
<td>23%</td>
<td>$ 500,000</td>
<td>$ 1,678,392</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 2,210,477</td>
<td></td>
<td>$ 507,336</td>
<td>$ 1,703,142</td>
</tr>
</tbody>
</table>

#### FY 2016-2017 Projects

- None: $ -
- **Total**: $ -

### Five Year Revenue Test Using First in First Out Method

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Current Year</td>
<td>$ 48,893</td>
<td>$ 78,062</td>
<td>$ 426,259</td>
<td>$ 565,860</td>
<td>$ 918,713</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$ 37,473</td>
<td>$ 48,893</td>
<td>$ 78,062</td>
<td>$ 426,259</td>
<td>$ 565,860</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$ 156,539</td>
<td>$ 37,473</td>
<td>$ 48,893</td>
<td>$ 78,062</td>
<td>$ 426,259</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$ 3,035,318</td>
<td>$ 156,539</td>
<td>$ 37,473</td>
<td>$ 48,893</td>
<td>$ 78,062</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$ 340,665</td>
<td>$ 3,035,318</td>
<td>$ 156,539</td>
<td>$ 37,473</td>
<td>$ 48,893</td>
</tr>
<tr>
<td>Available Revenue Greater than Five Prior Fiscal Years</td>
<td>$ (3,554,221)</td>
<td>$ (3,331,556)</td>
<td>$ (478,237)</td>
<td>$ (330,843)</td>
<td>$ (793,370)</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$ 64,668</td>
<td>$ 42,730</td>
<td>$ 268,989</td>
<td>$ 825,704</td>
<td>$ 918,713</td>
</tr>
</tbody>
</table>

### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Current Year</td>
<td>$ -</td>
<td>$ 100,000</td>
<td>$ 200,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 437,347</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 68,989</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$ -</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td><strong>$ -</strong></td>
<td><strong>$ 100,000</strong></td>
<td><strong>$ 200,000</strong></td>
<td>-</td>
<td><strong>$ 507,336</strong></td>
</tr>
</tbody>
</table>
3. Storm Drainage Fee (Funds 535)

The Storm Drainage IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified the need for new Storm Drainage Basin areas to serve the needs of new development. The 2012 Nexus Study determined that in some areas, new development would be responsible for fully constructing and funding its own infrastructure demands. In other areas, a fee is required to facilitate the construction of necessary improvements. Additionally, Zone 2 was established on areas outside the City in anticipation of a potential annexation and development.

For purposes of this study, a plan based fee methodology was used. There are no existing deficiencies in this program. Current development is served by current infrastructure. Future development will either directly construct and finance its own storm drainage facilities, or pay into this fee program, depending on its geography within the City. This zone based IMF program funds new development’s fair share of storm drainage facilities necessary to serve each zone’s needs.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

The only project programmed in this fund for FY 2018/19 is a portion of the City-wide IMF program update. All facilities in this program have been constructed or will be privately funded.

Required Findings
1. The purpose of the Storm Drainage fee is to fund the storm drainage costs that include a proportionate share of storm drainage basins and pipe costs depending on the geography of each project.
2. The reasonable relationship between the storm drainage fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete the future storm drainage facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for funding and constructing these facilities is not shown in this report. Future projects will be included in future year CIP documents.
Beginning balance July 1, 2017 $ 942,455

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees collected</td>
<td>$ 13,335</td>
</tr>
<tr>
<td>Interest earned/market loss</td>
<td>$ 3,138</td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>$ -</td>
</tr>
<tr>
<td>Total</td>
<td>$ 16,473</td>
</tr>
</tbody>
</table>

Disbursements

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee</th>
<th>Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 2,418</td>
<td>8%</td>
<td>FY 18</td>
</tr>
<tr>
<td>Total</td>
<td>$ 2,418</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 956,510

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$ 597</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$ 597</td>
</tr>
</tbody>
</table>
### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

#### Description

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$130,364</td>
<td>$107,514</td>
<td>$45,481</td>
<td>$37,850</td>
<td>$13,335</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$5,133</td>
<td>$3,806</td>
<td>$7,981</td>
<td>$5,484</td>
<td>$3,138</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
<td>$16,473</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Revenue Less Expenditures</strong></td>
<td>$90,480</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
<td>$14,055</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$643,860</td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$942,455</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$942,455</td>
<td>$956,510</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$3,015</td>
<td>$597</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$939,440</td>
<td>$955,913</td>
</tr>
</tbody>
</table>

#### Capital Improvement Projects

<table>
<thead>
<tr>
<th>Project Amount Expended</th>
<th>Percent Funded by Impact Fees</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2017-2018 Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>8%</td>
<td>$2,418</td>
</tr>
<tr>
<td>Total</td>
<td>$32,085</td>
<td></td>
<td>$2,418</td>
</tr>
<tr>
<td>FY 2016-2017 Projects</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>$-</td>
<td></td>
<td>$-</td>
</tr>
<tr>
<td>Total</td>
<td>$-</td>
<td></td>
<td>$-</td>
</tr>
</tbody>
</table>

#### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
<td>$16,473</td>
<td></td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$ -</td>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
<td>$43,333</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$ -</td>
<td>$ -</td>
<td>$135,497</td>
<td>$111,320</td>
<td>$53,461</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$180,163</td>
<td>$ -</td>
<td>$ -</td>
<td>$135,497</td>
<td>$111,320</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$7,219</td>
<td>$180,163</td>
<td>$ -</td>
<td>$ -</td>
<td>$135,497</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$411,462</td>
<td>$418,681</td>
<td>$598,844</td>
<td>$595,829</td>
<td>$595,829</td>
</tr>
<tr>
<td>Total Revenue Available</td>
<td>$734,340</td>
<td>$845,660</td>
<td>$899,121</td>
<td>$939,440</td>
<td>$955,913</td>
</tr>
</tbody>
</table>

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2,418</td>
</tr>
<tr>
<td>Total Annual Expenditures</td>
<td>$45,016</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$2,418</td>
</tr>
</tbody>
</table>
4. Transportation Fee Program (Fund 308)

The Transportation IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified $33.7 million in combined traffic signal and roadway improvements needed to serve the City. The overwhelming majority (92%) of the Harney Lane improvements were anticipated to be funded by sources outside the IMFP. The large majority (60%) of the Victor Rd. improvements are also anticipated to be funded by sources outside the IMFP. The Harney Lane project was completed in the summer of 2018. The 2012 Nexus Study anticipated $2,130,000 in 2012 dollars to be spent from the IMFP on the Harney Lane project. The project was completed without using IMFP funds, leaving the balance available for other listed IMFP improvements. Traffic Signals are included in the Transportation IMF based on new developments share of trips through the various intersections. New developments share ranges from 20-100% of each project with new developments share identified in the nexus study.

For purposes of the study, a plan-based fee calculation methodology was used. Trip generation rates and pass-by trip percentages were used to develop DUE factors for each land use type. These DUE factors were then used to allocate costs to each land use type. There is no existing deficiency as current treatment and storage needs are met by current facilities.

Ending Balance for June 30, 2018 is what is shown as the balance on the City’s records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include Traffic Signal and Lighting Design, New Signal at Victor/Guild Roads, and a portion of the City-wide IMF update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the Transportation fee is to fund traffic costs that include a proportionate share of new traffic signals and road widening projects.
2. The reasonable relationship between the transportation fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to complete future transportation facilities are identified in this report and will be recommended for inclusion in the City of Lodi CIP with the FY 2019-20 budget cycle (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
Beginning balance July 1, 2017 $ 789,478

Fees collected $ 97,819
Interest earned/market loss $ 458
Misc. revenue $ -
Total $ 98,277

Disbursements

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victor/Guild Signal</td>
<td>$ 21,851</td>
<td>94% FY 18</td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 1,233</td>
<td>4%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 23,084</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 864,671

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$ 304</td>
<td>4%</td>
</tr>
<tr>
<td>Project: Traffic Signal &amp; Lighting Design</td>
<td>$ 17,455</td>
<td>100%</td>
</tr>
<tr>
<td>Project: Signal Victor/Guild Roads</td>
<td>$ 750,000</td>
<td>100%</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$ 767,759</td>
<td></td>
</tr>
</tbody>
</table>
### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

**Streets**  
**FUND: 308**

#### Description

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$94,454</td>
<td>$22,124</td>
<td>$361,073</td>
<td>$75,550</td>
<td>$97,819</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$2,812</td>
<td>$2,039</td>
<td>$7,366</td>
<td>$4,696</td>
<td>$458</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$97,266</td>
<td>$24,162</td>
<td>$368,439</td>
<td>$80,246</td>
<td>$98,277</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$97,266</td>
<td>$24,162</td>
<td>$368,439</td>
<td>$66,541</td>
<td>$75,193</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>$233,070</td>
<td>$330,336</td>
<td>$354,499</td>
<td>$722,938</td>
<td>$789,478</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>$330,336</td>
<td>$354,499</td>
<td>$722,938</td>
<td>$789,478</td>
<td>$864,672</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>$330,336</td>
<td>$354,499</td>
<td>$722,938</td>
<td>$754,918</td>
<td>$846,912</td>
</tr>
</tbody>
</table>

#### Capital Improvement Projects

<table>
<thead>
<tr>
<th>FY 2017-2018 Projects</th>
<th>Project Amount Expended</th>
<th>Percent Funded by Impact Fees</th>
<th>Impact Fee Non-Impact Fee Expenditures</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>4%</td>
<td>$1,233</td>
<td>$30,852</td>
</tr>
<tr>
<td>Victor/Guild Signal</td>
<td>$23,329</td>
<td>94%</td>
<td>$21,851</td>
<td>1,478</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$55,414</td>
<td></td>
<td>$32,084</td>
<td>$32,331</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2016-2017 Projects</th>
<th>Project Amount Expended</th>
<th>Percent Funded by Impact Fees</th>
<th>Impact Fee Non-Impact Fee Expenditures</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victor/Guild Signal</td>
<td>$13,706</td>
<td>100%</td>
<td>$13,706</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$13,706</td>
<td></td>
<td>$13,706</td>
<td>-</td>
</tr>
</tbody>
</table>

#### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$97,266</td>
<td>$97,266</td>
<td>$24,162</td>
<td>$368,439</td>
<td>$80,246</td>
<td>$98,277</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$3,794</td>
<td>$97,266</td>
<td>$24,162</td>
<td>$368,439</td>
<td>$80,246</td>
</tr>
<tr>
<td>$378,551</td>
<td>$378,551</td>
<td>$3,794</td>
<td>$97,266</td>
<td>$24,162</td>
<td>$368,439</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$116,059</td>
<td>$378,551</td>
<td>$3,794</td>
<td>$97,266</td>
<td>$24,162</td>
</tr>
<tr>
<td>$462,012</td>
<td>$462,012</td>
<td>$116,059</td>
<td>$378,551</td>
<td>$3,794</td>
<td>$97,266</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$727,345</td>
<td>$265,333</td>
<td>$149,275</td>
<td>$181,010</td>
<td>$178,521</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>$330,336</td>
<td>$354,499</td>
<td>$722,938</td>
<td>$754,918</td>
<td>$846,912</td>
</tr>
</tbody>
</table>

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$13,706</td>
<td>$23,084</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$13,706</td>
<td>$23,084</td>
</tr>
</tbody>
</table>
6. Police Fee Program (Fund 435)

The Police IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City's contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified that the current police station is adequate to serve the City’s needs through 2035. New development will drive the need for new police personnel who will occupy space within the existing police station. Therefore it is appropriate for new development to fund its share of the existing police station, including debt service.

For purposes of the study, a plan based fee methodology was used establishing a level of service standard of 1.70 police personnel (this includes both sword and non-sworn officers) per thousand residents was used. There are no existing deficiencies in this fee program. Based on this methodology, 85% of the cost of the police station is allocated to existing development or development beyond 2035. The remaining 15% is allocated to anticipated development through 2035. A total of $4.1 Million of debt service cost is eligible for allocation to new development. In addition, $434,000 in vehicle costs (in 2012 dollars) was allocated to new development. These are the new vehicles required to serve new officers required by new development.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

The only programmed project for FY 2018/19 in this fund is a portion of the City-wide IMF update. New vehicle purchases are planned only as new officers are hired to serve new development.

Required Findings
1. The purpose of the Police Fee is to fund police-related capital costs, including financing costs, attributable to the impact from new development.
2. The reasonable relationship between the Police Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities or vehicle costs are identified in this report (shown in 2018 dollars).
4. Facilities in this program have already been constructed. Fee revenue pays development’s proportionate cost of currently overbuilt facilities, including debt service. Additionally, fee revenue will fund new development’s proportionate cost of new vehicle costs to support new officers through 2035.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance July 1, 2017</td>
<td>$226,115</td>
</tr>
<tr>
<td>Fees collected</td>
<td>$69,662</td>
</tr>
<tr>
<td>Interest earned/market loss</td>
<td>$801</td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$70,463</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount from Fee</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$1,309</td>
<td>4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,309</strong></td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $295,269

<table>
<thead>
<tr>
<th>Planned projects for Fiscal Year 2018/19</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$323</td>
</tr>
<tr>
<td><strong>Total Projects Planned for FY 18/19</strong></td>
<td><strong>$323</strong></td>
</tr>
</tbody>
</table>
### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

#### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$128,279</td>
<td>$20,978</td>
<td>$103,351</td>
<td>$1,085</td>
<td>$34,774</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$252,051</td>
<td>$(123,772)</td>
<td>$(102,793)</td>
<td>$(1,074)</td>
<td>$(1,621)</td>
</tr>
<tr>
<td>Total Revenue Available</td>
<td>$36,418</td>
<td>$47,424</td>
<td>$203,589</td>
<td>$224,483</td>
<td>$294,946</td>
</tr>
</tbody>
</table>

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation After Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,309</td>
</tr>
<tr>
<td>Total Annual Expenditures</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,309</td>
</tr>
</tbody>
</table>
7. Fire Fee Program (Fund 436)

The Fire IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need to expand and relocate Fire Station 2 in order to serve buildout of the City. The study also identified an overbuild of Fire Station 4 carried over. Fire Station 4 was constructed in part from a loan from the Water Fee Program to the Fire Fee Program. Details of the restated loan can be found on pages 24-25 of this report. The loan was originally issued with no interest, however this is in conflict with Government Codes 66006 and 66013 requiring that loans from IMF’s have an interest rate and repayment terms and that annual reports disclose the status of the loan including these provisions. The history of the loan, as restated with quarterly compounded interest at a rate equal to the one year US Treasury note as of the end of each quarter, is included. The City Council will consider waiving interest on the loan for the period March 31, 2001, through June 30, 2015 concurrent with acceptance of this report. It is important to note that interest has not been accrued in the City’s financial statements and is not reflected in the tables pages 22 and 23 of this report.

For purposes of the study, a plan based fee methodology was used. There are no existing deficiencies in this fee program. Based on this methodology, 81% of the cost of the expanded fire station is allocated to existing development and 19% is allocated to anticipated development through 2035. A total of $3.1 Million is eligible for allocation to new development. However, because the anticipated cost of Station 2 expansion was only $1.6 Million, including financing costs, and the outstanding loan from the Water Fee Program was $1.2 Million, as of the date the Nexus Study was prepared, only $2.8 Million was allocated to new development.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different asset and liability accounts not depicted below, but which still affect ending balance.

The expansion of Fire Station 2 and the construction of Fire Station 4 (financed with a loan from the Water Fee Program) are attributable to new development and new development will be required to pay for 100% of the costs associated with each.

Projects programmed in this fund for FY 2018/19 include a portion of the city wide IMF update and repayment of the loan to the Water IMF as previously described.

Required Findings
1. The purpose of the Fire Fee is to fund fire-related capital costs, including financing costs, attributable to the impact from new development.
2. The reasonable relationship between the Fire Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities or vehicle costs are identified in this report (shown in 2018 dollars).

4. Facilities in this program have already been constructed. Fee revenue pays development’s proportionate cost of currently overbuilt facilities, including external and internal loan repayments. Internal loan repayments are scheduled as revenues are received and the current repayment date is unknown.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning balance July 1, 2017</td>
<td>$(1,021,314)</td>
<td></td>
</tr>
<tr>
<td>Plus loan payable</td>
<td>$1,024,025</td>
<td></td>
</tr>
<tr>
<td>Restated beginning balance July 1, 2017</td>
<td>$2,711</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fees collected</td>
<td>$42,113</td>
<td></td>
</tr>
<tr>
<td>Interest earned/market loss</td>
<td>$914</td>
<td></td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>$-</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>$43,027</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disbursements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$670</td>
<td>2%</td>
</tr>
<tr>
<td>Total</td>
<td>$670</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ending balance June 30, 2018</td>
<td>$45,069</td>
<td></td>
</tr>
<tr>
<td>Less loan payable</td>
<td>$(984,025)</td>
<td></td>
</tr>
<tr>
<td>Restated ending balance June 30, 2018</td>
<td>$(938,956)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned projects for Fiscal Year 2018/19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee Update</td>
<td>$165</td>
<td>2%</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$165</td>
<td></td>
</tr>
</tbody>
</table>

Note: Beginning and ending balance is negative due to outstanding loan due to the Water IMF Fee.
## Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

### FY 2013/14

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$34,357</td>
<td>$8,357</td>
<td>$121,012</td>
<td>$21,714</td>
<td>$42,113</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$238</td>
<td>$113</td>
<td>$954</td>
<td>$314</td>
<td>$914</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$34,596</td>
<td>$8,471</td>
<td>$121,966</td>
<td>$22,029</td>
<td>$43,027</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$670</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$670</td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$34,596</td>
<td>$8,471</td>
<td>$121,966</td>
<td>$22,029</td>
<td>$42,358</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>($1,208,375)</td>
<td>($1,173,780)</td>
<td>($1,165,309)</td>
<td>($1,043,343)</td>
<td>($1,021,314)</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>($1,173,780)</td>
<td>($1,165,309)</td>
<td>($1,043,343)</td>
<td>($1,021,314)</td>
<td>($978,956)</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$835</td>
<td>$165</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>($1,173,780)</td>
<td>($1,165,309)</td>
<td>($1,043,343)</td>
<td>($1,022,149)</td>
<td>($979,122)</td>
</tr>
</tbody>
</table>

### Capital Improvement Projects

#### FY 2017-2018 Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>FY 2017-2018</th>
<th>Expended</th>
<th>Percent Funded by Impact Fee</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>2%</td>
<td>$670</td>
<td>$31,415</td>
<td></td>
</tr>
</tbody>
</table>

#### FY 2016-2017 Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>FY 2016-2017</th>
<th>Expended</th>
<th>Percent Funded by Impact Fee</th>
<th>Impact Fee Expenditures</th>
<th>Non-Impact Fee Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td></td>
</tr>
</tbody>
</table>

### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Current Year</td>
<td>$34,596</td>
<td>$8,471</td>
<td>$121,966</td>
<td>$22,029</td>
<td>$43,027</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$631</td>
<td>$34,596</td>
<td>$8,471</td>
<td>$121,966</td>
<td>$22,029</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$67,380</td>
<td>$34,596</td>
<td>$8,471</td>
<td>$121,966</td>
<td>$22,029</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$19,340</td>
<td>$67,380</td>
<td>$631</td>
<td>$34,596</td>
<td>$8,471</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$80,302</td>
<td>$19,340</td>
<td>$67,380</td>
<td>$631</td>
<td>$34,596</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>($1,173,780)</td>
<td>($1,165,309)</td>
<td>($1,043,343)</td>
<td>($1,022,149)</td>
<td>($979,957)</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>($1,173,780)</td>
<td>($1,165,309)</td>
<td>($1,043,343)</td>
<td>($1,022,149)</td>
<td>($979,957)</td>
</tr>
</tbody>
</table>

### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Current Year</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$670</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$670</td>
</tr>
<tr>
<td>Date</td>
<td>Treasury Rate</td>
<td>Beginning Balance</td>
<td>Payments Made</td>
<td>Interest Accrued</td>
<td>Ending Balance</td>
</tr>
<tr>
<td>-----------</td>
<td>---------------</td>
<td>-------------------</td>
<td>---------------</td>
<td>-----------------</td>
<td>----------------</td>
</tr>
<tr>
<td>3/31/2001</td>
<td>N/A</td>
<td>$1,644,569.00</td>
<td>$-</td>
<td>$-</td>
<td>$1,644,569.00</td>
</tr>
<tr>
<td>6/30/2001</td>
<td>3.72%</td>
<td>$1,644,569.00</td>
<td>$-</td>
<td>$15,294.49</td>
<td>$1,659,863.49</td>
</tr>
<tr>
<td>9/30/2001</td>
<td>2.49%</td>
<td>$1,659,863.49</td>
<td>$-</td>
<td>$10,332.65</td>
<td>$1,670,196.14</td>
</tr>
<tr>
<td>12/31/2001</td>
<td>2.17%</td>
<td>$1,670,196.14</td>
<td>$-</td>
<td>$9,060.81</td>
<td>$1,679,256.95</td>
</tr>
<tr>
<td>3/31/2002</td>
<td>2.70%</td>
<td>$1,679,256.95</td>
<td>$-</td>
<td>$11,334.98</td>
<td>$1,690,591.93</td>
</tr>
<tr>
<td>6/30/2002</td>
<td>2.06%</td>
<td>$1,690,591.93</td>
<td>$(60,938.08)</td>
<td>$8,392.72</td>
<td>$1,638,046.57</td>
</tr>
<tr>
<td>9/30/2002</td>
<td>1.53%</td>
<td>$1,638,046.57</td>
<td>$(60,938.08)</td>
<td>$6,265.53</td>
<td>$1,644,312.10</td>
</tr>
<tr>
<td>12/31/2002</td>
<td>1.32%</td>
<td>$1,644,312.10</td>
<td>$(60,938.08)</td>
<td>$5,426.23</td>
<td>$1,649,738.33</td>
</tr>
<tr>
<td>3/31/2003</td>
<td>1.19%</td>
<td>$1,649,738.33</td>
<td>$-</td>
<td>$4,907.97</td>
<td>$1,654,646.30</td>
</tr>
<tr>
<td>6/30/2003</td>
<td>1.09%</td>
<td>$1,654,646.30</td>
<td>$(186,867.44)</td>
<td>$3,999.70</td>
<td>$1,471,778.56</td>
</tr>
<tr>
<td>9/30/2003</td>
<td>1.15%</td>
<td>$1,471,778.56</td>
<td>$-</td>
<td>$4,231.36</td>
<td>$1,476,009.92</td>
</tr>
<tr>
<td>12/31/2003</td>
<td>1.26%</td>
<td>$1,476,009.92</td>
<td>$-</td>
<td>$4,649.43</td>
<td>$1,480,659.35</td>
</tr>
<tr>
<td>3/31/2004</td>
<td>1.20%</td>
<td>$1,480,659.35</td>
<td>$-</td>
<td>$4,441.98</td>
<td>$1,485,101.33</td>
</tr>
<tr>
<td>6/30/2004</td>
<td>2.09%</td>
<td>$1,485,101.33</td>
<td>$-</td>
<td>$7,759.65</td>
<td>$1,492,860.98</td>
</tr>
<tr>
<td>9/30/2004</td>
<td>2.21%</td>
<td>$1,492,860.98</td>
<td>$(60,938.08)</td>
<td>$8,248.06</td>
<td>$1,501,109.04</td>
</tr>
<tr>
<td>12/31/2004</td>
<td>2.75%</td>
<td>$1,501,109.04</td>
<td>$(60,938.08)</td>
<td>$10,320.12</td>
<td>$1,511,429.16</td>
</tr>
<tr>
<td>3/31/2005</td>
<td>3.35%</td>
<td>$1,511,429.16</td>
<td>$-</td>
<td>$12,658.22</td>
<td>$1,524,087.38</td>
</tr>
<tr>
<td>6/30/2005</td>
<td>3.45%</td>
<td>$1,524,087.38</td>
<td>$(186,867.44)</td>
<td>$11,665.28</td>
<td>$1,364,161.75</td>
</tr>
<tr>
<td>9/30/2005</td>
<td>4.01%</td>
<td>$1,364,161.75</td>
<td>$-</td>
<td>$13,675.72</td>
<td>$1,377,837.47</td>
</tr>
<tr>
<td>12/31/2005</td>
<td>4.38%</td>
<td>$1,377,837.47</td>
<td>$-</td>
<td>$15,087.32</td>
<td>$1,392,924.79</td>
</tr>
<tr>
<td>3/31/2006</td>
<td>4.82%</td>
<td>$1,392,924.79</td>
<td>$-</td>
<td>$16,784.74</td>
<td>$1,409,709.53</td>
</tr>
<tr>
<td>6/30/2006</td>
<td>5.21%</td>
<td>$1,409,709.53</td>
<td>$-</td>
<td>$18,361.47</td>
<td>$1,428,071.00</td>
</tr>
<tr>
<td>9/30/2006</td>
<td>4.91%</td>
<td>$1,428,071.00</td>
<td>$-</td>
<td>$17,529.57</td>
<td>$1,445,600.57</td>
</tr>
<tr>
<td>12/31/2006</td>
<td>5.00%</td>
<td>$1,445,600.57</td>
<td>$(186,867.44)</td>
<td>$18,070.01</td>
<td>$1,463,670.58</td>
</tr>
<tr>
<td>3/31/2007</td>
<td>4.90%</td>
<td>$1,463,670.58</td>
<td>$(186,867.44)</td>
<td>$17,929.96</td>
<td>$1,481,600.54</td>
</tr>
<tr>
<td>6/30/2007</td>
<td>4.91%</td>
<td>$1,481,600.54</td>
<td>$(186,867.44)</td>
<td>$18,186.65</td>
<td>$1,499,787.19</td>
</tr>
<tr>
<td>9/30/2007</td>
<td>4.05%</td>
<td>$1,499,787.19</td>
<td>$(186,867.44)</td>
<td>$15,185.35</td>
<td>$1,514,972.54</td>
</tr>
<tr>
<td>12/31/2007</td>
<td>3.34%</td>
<td>$1,514,972.54</td>
<td>$(186,867.44)</td>
<td>$12,650.02</td>
<td>$1,527,622.56</td>
</tr>
<tr>
<td>3/31/2008</td>
<td>1.55%</td>
<td>$1,527,622.56</td>
<td>$(186,867.44)</td>
<td>$5,919.54</td>
<td>$1,533,542.10</td>
</tr>
<tr>
<td>6/30/2008</td>
<td>2.36%</td>
<td>$1,533,542.10</td>
<td>$(186,867.44)</td>
<td>$9,047.90</td>
<td>$1,542,590.00</td>
</tr>
<tr>
<td>9/30/2008</td>
<td>1.78%</td>
<td>$1,542,590.00</td>
<td>$(186,867.44)</td>
<td>$6,864.53</td>
<td>$1,549,454.53</td>
</tr>
<tr>
<td>12/31/2008</td>
<td>0.37%</td>
<td>$1,549,454.53</td>
<td>$(186,867.44)</td>
<td>$1,433.25</td>
<td>$1,550,887.78</td>
</tr>
<tr>
<td>3/31/2009</td>
<td>0.57%</td>
<td>$1,550,887.78</td>
<td>$(186,867.44)</td>
<td>$2,210.02</td>
<td>$1,553,097.80</td>
</tr>
<tr>
<td>6/30/2009</td>
<td>0.56%</td>
<td>$1,553,097.80</td>
<td>$(186,867.44)</td>
<td>$2,174.34</td>
<td>$1,555,272.14</td>
</tr>
<tr>
<td>9/30/2009</td>
<td>0.40%</td>
<td>$1,555,272.14</td>
<td>$(186,867.44)</td>
<td>$1,555.27</td>
<td>$1,556,827.41</td>
</tr>
<tr>
<td>12/31/2009</td>
<td>0.47%</td>
<td>$1,556,827.41</td>
<td>$(186,867.44)</td>
<td>$1,829.27</td>
<td>$1,558,656.68</td>
</tr>
</tbody>
</table>
## Restated Interfund Loan from IMF Water to IMF Fire (continued)

### One Year

<table>
<thead>
<tr>
<th>Date</th>
<th>Treasury Rate</th>
<th>Beginning Balance</th>
<th>Payments Made</th>
<th>Interest Accrued</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2010</td>
<td>0.41%</td>
<td>$1,558,656.68</td>
<td>-</td>
<td>$1,597.62</td>
<td>$1,560,254.30</td>
</tr>
<tr>
<td>6/30/2010</td>
<td>0.32%</td>
<td>$1,560,254.30</td>
<td>-</td>
<td>$1,248.20</td>
<td>$1,561,502.50</td>
</tr>
<tr>
<td>9/30/2010</td>
<td>0.27%</td>
<td>$1,561,502.50</td>
<td>-</td>
<td>$1,054.01</td>
<td>$1,562,556.51</td>
</tr>
<tr>
<td>12/31/2010</td>
<td>0.29%</td>
<td>$1,562,556.51</td>
<td>-</td>
<td>$1,132.85</td>
<td>$1,563,689.36</td>
</tr>
<tr>
<td>3/31/2011</td>
<td>0.30%</td>
<td>$1,563,689.36</td>
<td>-</td>
<td>$1,172.77</td>
<td>$1,564,862.13</td>
</tr>
<tr>
<td>6/30/2011</td>
<td>0.19%</td>
<td>$1,564,862.13</td>
<td>-</td>
<td>$743.31</td>
<td>$1,565,605.44</td>
</tr>
<tr>
<td>9/30/2011</td>
<td>0.13%</td>
<td>$1,565,605.44</td>
<td>-</td>
<td>$508.82</td>
<td>$1,566,114.26</td>
</tr>
<tr>
<td>12/31/2011</td>
<td>0.12%</td>
<td>$1,566,114.26</td>
<td>-</td>
<td>$469.83</td>
<td>$1,566,584.09</td>
</tr>
<tr>
<td>3/31/2012</td>
<td>0.19%</td>
<td>$1,566,584.09</td>
<td>-</td>
<td>$744.13</td>
<td>$1,567,328.22</td>
</tr>
<tr>
<td>6/30/2012</td>
<td>0.21%</td>
<td>$1,567,328.22</td>
<td>(16,147.68)</td>
<td>$814.37</td>
<td>$1,551,994.91</td>
</tr>
<tr>
<td>9/30/2012</td>
<td>0.17%</td>
<td>$1,551,994.91</td>
<td>-</td>
<td>$659.60</td>
<td>$1,552,654.51</td>
</tr>
<tr>
<td>12/31/2012</td>
<td>0.16%</td>
<td>$1,552,654.51</td>
<td>-</td>
<td>$621.06</td>
<td>$1,553,275.57</td>
</tr>
<tr>
<td>3/31/2013</td>
<td>0.14%</td>
<td>$1,553,275.57</td>
<td>-</td>
<td>$543.65</td>
<td>$1,553,819.22</td>
</tr>
<tr>
<td>6/30/2013</td>
<td>0.15%</td>
<td>$1,553,819.22</td>
<td>-</td>
<td>$582.68</td>
<td>$1,554,401.90</td>
</tr>
<tr>
<td>9/30/2013</td>
<td>0.10%</td>
<td>$1,554,401.90</td>
<td>-</td>
<td>$388.60</td>
<td>$1,554,790.50</td>
</tr>
<tr>
<td>12/31/2013</td>
<td>0.13%</td>
<td>$1,554,790.50</td>
<td>-</td>
<td>$505.31</td>
<td>$1,555,295.81</td>
</tr>
<tr>
<td>3/31/2014</td>
<td>0.13%</td>
<td>$1,555,295.81</td>
<td>-</td>
<td>$505.47</td>
<td>$1,555,801.28</td>
</tr>
<tr>
<td>6/30/2014</td>
<td>0.11%</td>
<td>$1,555,801.28</td>
<td>(35,000.00)</td>
<td>$418.22</td>
<td>$1,521,219.50</td>
</tr>
<tr>
<td>9/30/2014</td>
<td>0.13%</td>
<td>$1,521,219.50</td>
<td>-</td>
<td>$494.40</td>
<td>$1,521,713.90</td>
</tr>
<tr>
<td>12/31/2014</td>
<td>0.25%</td>
<td>$1,521,713.90</td>
<td>-</td>
<td>$951.07</td>
<td>$1,522,664.97</td>
</tr>
<tr>
<td>3/31/2015</td>
<td>0.26%</td>
<td>$1,522,664.97</td>
<td>-</td>
<td>$989.73</td>
<td>$1,523,654.70</td>
</tr>
<tr>
<td>6/30/2015</td>
<td>0.28%</td>
<td>$1,523,654.70</td>
<td>-</td>
<td>$1,066.56</td>
<td>$1,524,721.26</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>0.33%</td>
<td>$1,524,721.26</td>
<td>-</td>
<td>$1,257.90</td>
<td>$1,525,979.16</td>
</tr>
<tr>
<td>12/31/2015</td>
<td>0.65%</td>
<td>$1,525,979.16</td>
<td>-</td>
<td>$2,479.72</td>
<td>$1,528,458.88</td>
</tr>
<tr>
<td>3/31/2016</td>
<td>0.59%</td>
<td>$1,528,458.88</td>
<td>-</td>
<td>$2,254.48</td>
<td>$1,530,713.36</td>
</tr>
<tr>
<td>6/30/2016</td>
<td>0.45%</td>
<td>$1,530,713.36</td>
<td>(100,000.00)</td>
<td>$1,609.55</td>
<td>$1,432,322.91</td>
</tr>
<tr>
<td>9/30/2016</td>
<td>0.59%</td>
<td>$1,432,322.91</td>
<td>-</td>
<td>$2,096.20</td>
<td>$1,434,419.11</td>
</tr>
<tr>
<td>12/31/2016</td>
<td>0.81%</td>
<td>$1,434,419.11</td>
<td>-</td>
<td>$2,906.85</td>
<td>$1,437,325.96</td>
</tr>
<tr>
<td>3/31/2017</td>
<td>1.02%</td>
<td>$1,437,325.96</td>
<td>-</td>
<td>$3,652.25</td>
<td>$1,440,978.21</td>
</tr>
<tr>
<td>6/30/2017</td>
<td>1.23%</td>
<td>$1,440,978.21</td>
<td>-</td>
<td>$4,422.00</td>
<td>$1,445,400.21</td>
</tr>
<tr>
<td>9/30/2017</td>
<td>1.29%</td>
<td>$1,445,400.21</td>
<td>-</td>
<td>$4,658.52</td>
<td>$1,450,058.73</td>
</tr>
<tr>
<td>12/31/2017</td>
<td>1.73%</td>
<td>$1,450,058.73</td>
<td>-</td>
<td>$6,277.30</td>
<td>$1,456,336.03</td>
</tr>
<tr>
<td>3/31/2018</td>
<td>2.09%</td>
<td>$1,456,336.03</td>
<td>-</td>
<td>$7,609.36</td>
<td>$1,463,945.39</td>
</tr>
<tr>
<td>6/30/2018</td>
<td>2.33%</td>
<td>$1,463,945.39</td>
<td>-</td>
<td>$8,527.48</td>
<td>$1,472,472.87</td>
</tr>
</tbody>
</table>
8. Parks Fee Program (Fund 437)

The Parks IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City's contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need to improve three parklands located within the City to serve new development. Additionally, all of the neighborhood parks (totaling 2.5 acres per 1,000 residents) required to serve new development will be privately funded by future development.

For purposes of the study, a level of service standard was used establishing a total of 8.0 acres of combined parkland, open space and special use areas per 1,000 residents. There are no existing deficiencies in this fee program. Three types of parkland exist within the City including neighborhood, community and regional. The IMF only covers new development’s share of the community and regional parks, a portion of natural open space and special use areas. Neighborhood parks are planned to be fully privately funded by future development.

Ending balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects funded in Fiscal Year 2018/19 a portion of the Citywide IMF fee update. Future projects will be included in the future year CIP documents as shown below.

Required Findings
1. The purpose of the Parks Fee is to fund facilities attributable to the impact from new development.
2. The reasonable relationship between the Parks Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
Parks & Recreation Fund 437

Beginning balance July 1, 2017 $ 564,638
Fees collected $ 300,584
Interest earned/market loss $ 680
Misc. revenue
Total $ 301,265

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount from Fee</th>
<th>% Fee Funded in FY 18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 6,756</td>
<td>21%</td>
</tr>
<tr>
<td>DeBenedetti Park Trail/Parking Lot</td>
<td>$ 543,707</td>
<td>83%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 550,463</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 315,440

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Planned project</th>
<th>Amount</th>
<th>% Fee Funded in FY 19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$ 1,666</td>
<td>21%</td>
</tr>
<tr>
<td>DeBenedetti Master Plan</td>
<td>$ 65,420</td>
<td>100%</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$ 67,086</td>
<td></td>
</tr>
</tbody>
</table>
## Parks & Recreation

**FUND: 437**

### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

#### FY 2013/14

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$42,043</td>
<td>$28,644</td>
<td>$496,751</td>
<td>$3,757</td>
<td>$680</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$2,627</td>
<td>$1,686</td>
<td>$9,310</td>
<td>$37,470</td>
<td>$300,584</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
<td>$301,265</td>
</tr>
</tbody>
</table>

| **Expenditures**             |            |            |            |            |            |
| Debt Service                 | $-         | $-         | $-         | $-         | $-         |
| Impact Fee Administration    | $-         | $-         | $-         | $-         | $-         |
| Misc Adjustments             | $-         | $-         | $23,396    | $-         | $-         |
| AB 1600 Disbursements        | $120,727   | $77,039    | $102,576   | $238,152   | $550,463   |
| **Total Expenditures**       | $120,727   | $77,039    | $79,180    | $238,152   | $550,463   |

| Revenue Less Expenditures    | $(76,057)  | $(46,709)  | $426,881   | $(196,925) | $(249,198) |
| Fund Balance, Beginning of Year | $457,449  | $381,392   | $334,682   | $761,563   | $564,638   |
| Fund Balance, End of Year    | $381,392   | $334,682   | $761,563   | $564,638   | $315,440   |
| Assigned Fund Balance        | $-         | $-         | $496,080   | $166       | $-         |
| Available Fund Balance       | $381,392   | $334,682   | $761,563   | $68,558    | $315,273   |

#### Capital Improvement Projects

<table>
<thead>
<tr>
<th>FY 2017-2018 Projects</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>21%</td>
<td>$6,756</td>
<td>$25,329</td>
</tr>
<tr>
<td>DeBenedetti Park Trail/Parking Lot</td>
<td>$652,709</td>
<td>83%</td>
<td>$543,707</td>
<td>$109,002</td>
</tr>
<tr>
<td>Total</td>
<td>$684,794</td>
<td></td>
<td>$550,463</td>
<td>134,331</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FY 2016-2017 Projects</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>DeBenedetti Park Trail/Parking Lot</td>
<td>$238,152</td>
<td>100%</td>
<td>$238,152</td>
<td>$-</td>
</tr>
<tr>
<td>Total</td>
<td>$238,152</td>
<td></td>
<td>$238,152</td>
<td>$-</td>
</tr>
</tbody>
</table>

#### Five Year Revenue Test Using First in First Out Method

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
<td>$301,265</td>
<td></td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$3,512</td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$31,416</td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$41,853</td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$16,352</td>
<td>$44,670</td>
<td>$30,330</td>
<td>$506,061</td>
<td>$41,227</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$243,589</td>
<td>$334,682</td>
<td>$761,563</td>
<td>$68,558</td>
<td>$315,273</td>
</tr>
</tbody>
</table>

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$218,690</td>
<td>$550,463</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$19,462</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$66,394</td>
<td>$-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>$120,727</td>
<td>$77,039</td>
<td>$145,574</td>
<td>$-</td>
<td>$-</td>
</tr>
<tr>
<td>Total Annual Expenditures</td>
<td>$120,727</td>
<td>$77,039</td>
<td>$79,180</td>
<td>$238,152</td>
<td>$550,463</td>
</tr>
</tbody>
</table>
9. Electric Utility Fee Program (Fund 505)

The Electric Utility IMF was first adopted by the City Council in 2007 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need for new electric utility facilities to serve additional demand for electricity caused by new development. A Distribution Capacity Plan was used to determine peak load demand and the system is sized to meet peak load needs of the end users (consumers of electricity).

For purposes of the study, a plan based fee methodology was used. There are no existing deficiencies in this fee program. A total of $7.1 million (in 2012 dollars) is allocated to new development covering a variety of electric utility facilities including distribution reinforcements, feeder additions, an added bank, and overhead and underground line extensions.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include the McLane Feeder, the 1267 Feeder extension and a portion of the Citywide IMF fee update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the Electric Utility Fee is to fund electric utility facilities attributable to the impact of new development.
2. The reasonable relationship between the Electric Utility Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, dated August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
Beginning balance July 1, 2017 $ 1,009,893

Fees collected $ 137,611
Interest earned/market loss $ -
Misc. revenue $ -
Total $ 137,611

<table>
<thead>
<tr>
<th>Disbursements</th>
<th>Amount from Fee</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 1,433</td>
<td>4% F Y 18</td>
</tr>
<tr>
<td>Lead Transfer Project - FY 16 &amp; 17 eligible costs</td>
<td>$ 86,599</td>
<td>100%</td>
</tr>
<tr>
<td>Cherokee Express Feeder - FY 17 eligible costs</td>
<td>$ 408,562</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 496,594</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 650,910

Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Fee Update</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$ 354</td>
<td>4% F Y 19</td>
</tr>
<tr>
<td>Total Projects Planned for FY 18/19</td>
<td>$ 354</td>
<td></td>
</tr>
</tbody>
</table>
## Electric

**FUND: 505**

**Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years**

### Description

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,205</td>
<td>$83,914</td>
<td>$137,611</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>-$</td>
<td>-$</td>
<td>336</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
<td>$83,914</td>
<td>$137,611</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>$496,594</td>
</tr>
<tr>
<td><strong>Revenue Less Expenditures</strong></td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
<td>$83,914</td>
<td>($358,983)</td>
</tr>
<tr>
<td><strong>Fund Balance, Beginning of Year</strong></td>
<td>$659,812</td>
<td>$749,453</td>
<td>$913,438</td>
<td>$925,979</td>
<td>$1,009,893</td>
</tr>
<tr>
<td><strong>Fund Balance, End of Year</strong></td>
<td>$749,453</td>
<td>$913,438</td>
<td>$925,979</td>
<td>$1,009,893</td>
<td>$650,910</td>
</tr>
<tr>
<td><strong>Available Fund Balance</strong></td>
<td>$749,453</td>
<td>$913,438</td>
<td>$925,979</td>
<td>$1,009,893</td>
<td>$650,556</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FY 2017-2018 Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Update</td>
<td>$32,085</td>
<td>4%</td>
<td>$1,433</td>
<td>$30,652</td>
<td></td>
</tr>
<tr>
<td>Lead Transfer Project - FY 16 &amp; 17 eligible costs</td>
<td>$86,599</td>
<td>100%</td>
<td>86,599</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Cherokee Express Feeder - FY 17 eligible costs</td>
<td>$408,562</td>
<td>100%</td>
<td>408,562</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$527,246</td>
<td></td>
<td>$496,594</td>
<td>$30,652</td>
<td></td>
</tr>
<tr>
<td><strong>FY 2016-2017 Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>$496,594</td>
</tr>
</tbody>
</table>

#### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th></th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Available Revenue Current Year</strong></td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,205</td>
<td>$83,914</td>
<td>$137,611</td>
</tr>
<tr>
<td><strong>Available Revenue Prior Fiscal Year (2-yr Old Funds)</strong></td>
<td>$6,226</td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
<td>$83,914</td>
</tr>
<tr>
<td><strong>Available Revenue Prior Fiscal Year (3-yr Old Funds)</strong></td>
<td>$117,773</td>
<td>$6,226</td>
<td>$89,641</td>
<td>$163,985</td>
<td>$12,541</td>
</tr>
<tr>
<td><strong>Available Revenue Prior Fiscal Year (4-yr Old Funds)</strong></td>
<td>$(46,639)</td>
<td>$117,773</td>
<td>$6,226</td>
<td>$89,641</td>
<td>$163,985</td>
</tr>
<tr>
<td><strong>Available Revenue Prior Fiscal Year (5-yr Old Funds)</strong></td>
<td>$582,452</td>
<td>$582,452</td>
<td>$535,813</td>
<td>$651,799</td>
<td>$162,864</td>
</tr>
<tr>
<td><strong>Total Revenue Greater than five Prior Fiscal Years</strong></td>
<td>$749,453</td>
<td>$913,438</td>
<td>$925,979</td>
<td>$1,008,106</td>
<td>$650,556</td>
</tr>
</tbody>
</table>

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th></th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenses Allocation Current Year</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
</tr>
<tr>
<td><strong>Expense Allocation Greater than Five Prior Fiscal Years</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>$496,594</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>-$</td>
<td>$496,594</td>
</tr>
</tbody>
</table>
10. General City Facilities Fee Program (Fund 438)

The General City Facilities IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a need for additional library building space, a remodel of the public safety building, updates to the City’s General Plan, and the IMFP, all of which are required to serve new development.

For purposes of the study, a plan based fee methodology was used. New development is responsible for 18.53% of the cost of the General Plan Update and the Public Safety Building Remodel and 100% of the cost for both the expansion of the library and fee program updates.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include a portion of the Citywide IMF fee update. Future projects will be included in the future year CIP documents.

Required Findings
1. The purpose of the General City Facilities Fee is to fund general city facilities costs, including remodeling of the existing public safety building, updating the City’s general plan, library expansion, and fee program updates, attributable to the impact of new development.
2. The reasonable relationship between the General City Facilities Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is shown in this report. Additional projects will be included in future year CIP documents.
### Financial Summary

**Beginning balance July 1, 2017**  
$116,193

- **Fees collected**  
  $56,967

- **Interest earned/market loss**  
  $844

- **Misc. revenue**  
  $-

**Total**  
$57,811

### Disbursements

<table>
<thead>
<tr>
<th>Disbursement</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$1,070</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,070</td>
<td></td>
</tr>
</tbody>
</table>

### Ending balance June 30, 2018

$172,933

### Planned projects for Fiscal Year 2018/19

<table>
<thead>
<tr>
<th>Fee Update</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fee Update</td>
<td>$265</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total Projects Planned for FY 18/19</strong></td>
<td>$265</td>
<td></td>
</tr>
</tbody>
</table>
### General Facilities
**FUND: 438**

**Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years**

#### Description

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$29,286</td>
<td>$8,807</td>
<td>$127,527</td>
<td>$18,833</td>
<td>$56,967</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$264</td>
<td>$212</td>
<td>$1,339</td>
<td>$646</td>
<td>$844</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$29,549</strong></td>
<td><strong>$9,019</strong></td>
<td><strong>$128,865</strong></td>
<td><strong>$19,478</strong></td>
<td><strong>$57,811</strong></td>
</tr>
<tr>
<td>Expenditures</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>1,070</strong></td>
</tr>
<tr>
<td>Revenue Less Expenditures</td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td>$56,740</td>
</tr>
<tr>
<td>Fund Balance, Beginning of Year</td>
<td>($70,718)</td>
<td>($41,169)</td>
<td>($32,151)</td>
<td>$96,715</td>
<td>$116,193</td>
</tr>
<tr>
<td>Fund Balance, End of Year</td>
<td>($41,169)</td>
<td>($32,151)</td>
<td>$96,715</td>
<td>$116,193</td>
<td>$172,933</td>
</tr>
<tr>
<td>Assigned Fund Balance</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$3,335</td>
<td>$265</td>
</tr>
<tr>
<td>Available Fund Balance</td>
<td>($41,169)</td>
<td>($32,151)</td>
<td>$96,715</td>
<td>$114,858</td>
<td>$172,669</td>
</tr>
<tr>
<td><strong>Capital Improvement Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FY 2017-2018 Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact Fee Program Update</td>
<td>$32,085</td>
<td>3%</td>
<td>$1,070</td>
<td>$31,015</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,085</strong></td>
<td><strong>$1,070</strong></td>
<td><strong>31,015</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FY 2016-2017 Projects</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>None</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

#### Five Year Revenue Test Using First in First Out Method

<table>
<thead>
<tr>
<th>Available Revenue Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td>$57,811</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available Revenue Prior Fiscal Year (2-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$895</td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
<td>$57,811</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available Revenue Prior Fiscal Year (3-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$56,891</td>
<td>$895</td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
<td>$19,478</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available Revenue Prior Fiscal Year (4-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$23,789</td>
<td>$56,891</td>
<td>$895</td>
<td>$29,549</td>
<td>$9,019</td>
<td>$128,865</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available Revenue Prior Fiscal Year (5-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$43,072</td>
<td>$23,789</td>
<td>$56,891</td>
<td>$895</td>
<td>$29,549</td>
<td>$9,019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available Revenue Greater than five Prior Fiscal Years</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>($195,365)</td>
<td>($152,293)</td>
<td>($128,503)</td>
<td>($72,948)</td>
<td>($72,053)</td>
<td></td>
</tr>
</tbody>
</table>

| Total Revenue Available                              | ($41,169)  | ($32,151)  | $96,715    | $114,858   | $172,669   |

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Expenses Allocation Current Year</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>$1,070</td>
<td>$-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>-</td>
<td>$-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>-</td>
<td>$-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expense Allocation Greater than Five Prior Fiscal Years</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-</td>
<td>$-</td>
<td>$-</td>
<td>-</td>
<td>$-</td>
<td>-</td>
</tr>
</tbody>
</table>

| Total Annual Expenditures                            | $-         | $-         | $-         | $1,070     | $-         |
10. Art in Public Places Fee Program (Fund 434)

The General City Facilities IMF was first adopted by the City Council in 1991 and was updated most recently in August of 2012 when the fee program nexus study was updated by the City’s contracted consultants, Harris & Associates and Goodwin Consulting Group.

The 2012 Nexus Study identified a service standard of approximately $28 (in 2012 dollars) per person served in the City for public art. For purposes of the study, a plan-based fee methodology was used based on the then-existing inventory of art and its estimated value divided by the population served. New development is responsible for 100% of the new art at the $28 (in 2012 dollars) per person served standard.

Specific art pieces and specific locations for those pieces are not identified in the study, but will be determined as fee revenue becomes available.

Ending Balance for June 30, 2018 is what is shown as the balance on the City's records, and which may include several different assets and liabilities accounts not depicted below, but which still affect ending balance.

Projects programmed in this fund for Fiscal Year 2018/19 include sidewalk chalk drawing, Cherokee Lane at Lodi Avenue Sculpture, Kettleman Lane Sculpture and Utility Box Art.

Required Findings
1. The purpose of the Art in Public Places Fee is to fund public art attributable to the impact of new development.
2. The reasonable relationship between the Art and Public Place Fee and the purpose for which it is charged is demonstrated in the City of Lodi Impact Mitigation Fee Program Nexus Study - 2012 Update, August 2012, effective October 14, 2012.
3. The sources and amounts of funding anticipated to fund new development’s proportionate share of existing facilities are identified in this report (shown in 2018 dollars).
4. The approximate date for funding and constructing some of these facilities is dependent on availability of sufficient fee revenue. Additional projects will be included in annual budgets as revenues become available.
Beginning balance July 1, 2017 $ 158,203

Fees collected $ 8,638
Interest earned/market loss $ 412
Misc. revenue $ -
Total $ 9,051

Disbursements

<table>
<thead>
<tr>
<th>Disbursement</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>$ 127</td>
<td>0.4%</td>
</tr>
<tr>
<td>Bicycle Rack Project</td>
<td>$ 6,250</td>
<td>100%</td>
</tr>
<tr>
<td>Traffic Control Box Art</td>
<td>$ 2,650</td>
<td>100%</td>
</tr>
<tr>
<td>Repairs</td>
<td>$ 1,594</td>
<td>100%</td>
</tr>
<tr>
<td>Prior Years Administration Costs</td>
<td>$ 46,778</td>
<td>100%</td>
</tr>
<tr>
<td>Total</td>
<td>$ 57,399</td>
<td></td>
</tr>
</tbody>
</table>

Ending balance June 30, 2018 $ 109,854

Planned projects for Fiscal Year 2018/19

| Project: Sidewalk Chalk Drawing           | $ 48   | 1%              |
| Project: Cherokee Ln/Lodi Ave Sculpture   | $ 15,000| 100%            |
| Project: Kettleman Lane Sculpture         | $ 7,500| 100%            |
| Project: Utility Box Art                  | $ 5,500| 100%            |
| Project: Miscellaneous Art                | $ 12,000| 100%            |
| Total Projects Planned for FY 18/19       | $ 50,048|                |
### Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

#### FY 2017-2018 Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Fee Program Update</td>
<td>32,085</td>
<td>0.4%</td>
<td>127</td>
<td>31,958</td>
<td></td>
</tr>
<tr>
<td>Bicycle Rack Project</td>
<td>6,250</td>
<td>100%</td>
<td>6,250</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Traffic Control Box Art</td>
<td>2,650</td>
<td>100%</td>
<td>2,650</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Repairs</td>
<td>1,594</td>
<td>100%</td>
<td>1,594</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Prior Years Administration Costs</td>
<td>46,778</td>
<td>100%</td>
<td>46,778</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>89,357</td>
<td></td>
<td>57,399</td>
<td>31,958</td>
<td></td>
</tr>
</tbody>
</table>

#### FY 2016-2017 Projects

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legion Park Crane</td>
<td>108</td>
<td>100%</td>
<td>108</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Traffic Control Box Art</td>
<td>1,233</td>
<td>100%</td>
<td>1,234</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,341</td>
<td></td>
<td>1,432</td>
<td>-</td>
<td></td>
</tr>
</tbody>
</table>

#### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Current Year</td>
<td>5,181</td>
<td>2,234</td>
<td>18,166</td>
<td>4,734</td>
<td>9,051</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>502</td>
<td>5,181</td>
<td>2,234</td>
<td>18,166</td>
<td>4,734</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>16,504</td>
<td>502</td>
<td>5,181</td>
<td>2,234</td>
<td>18,166</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>6,307</td>
<td>16,504</td>
<td>502</td>
<td>5,181</td>
<td>2,234</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>1,517</td>
<td>6,307</td>
<td>16,504</td>
<td>502</td>
<td>5,181</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>135,906</td>
<td>111,473</td>
<td>112,222</td>
<td>127,210</td>
<td>70,440</td>
</tr>
<tr>
<td><strong>Total Revenue Available</strong></td>
<td>165,918</td>
<td>142,202</td>
<td>154,810</td>
<td>158,028</td>
<td>109,806</td>
</tr>
</tbody>
</table>

#### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Current Year</td>
<td>6,950</td>
<td>25,950</td>
<td>5,259</td>
<td>1,341</td>
<td>57,399</td>
</tr>
<tr>
<td><strong>Total Annual Expenditures</strong></td>
<td>6,950</td>
<td>25,950</td>
<td>5,259</td>
<td>1,341</td>
<td>57,399</td>
</tr>
</tbody>
</table>
### Development Impact Mitigation Fees  
**July 1, 2017 through June 30, 2018**

<table>
<thead>
<tr>
<th>Land Use Category</th>
<th>Transportation Fee/Unit</th>
<th>Police Fee/Unit</th>
<th>Fire Fee/Unit</th>
<th>Citywide Park Fee/Unit</th>
<th>Neighborhood Park Fee/Unit</th>
<th>General City Facilities Fee/Unit</th>
<th>Art In Public Place Fee/Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$711</td>
<td>$753</td>
<td>$385</td>
<td>$3,890</td>
<td>$2,541</td>
<td>$617</td>
<td>$80</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$386</td>
<td>$634</td>
<td>$324</td>
<td>$3,276</td>
<td>$2,140</td>
<td>$519</td>
<td>$67</td>
</tr>
<tr>
<td>High Density¹</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td>Infill¹ (10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td><strong>Jr.</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land Use Category</td>
<td>Transportation Fee/1000</td>
<td>Police Fee/1000</td>
<td>Fire Fee/1000</td>
<td>Community Park Fee/1000</td>
<td>Neighborhood Park Fee/1000</td>
<td>General City Facilities Fee/1000</td>
<td>Art In Public Place Fee/1000</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$1,199</td>
<td>$330</td>
<td>$338</td>
<td>$406</td>
<td>$266</td>
<td>$270</td>
<td>$35</td>
</tr>
<tr>
<td>Office/Medical</td>
<td>$872</td>
<td>$528</td>
<td>$540</td>
<td>$650</td>
<td>$428</td>
<td>$433</td>
<td>$56</td>
</tr>
<tr>
<td>Industrial</td>
<td>$443</td>
<td>$176</td>
<td>$180</td>
<td>$217</td>
<td>N/A</td>
<td>$144</td>
<td>$19</td>
</tr>
<tr>
<td><strong>Land Use Category</strong></td>
<td>Storm Drain Zone 1 Fee/Unit</td>
<td>Storm Drain Zone 2 Fee/Unit</td>
<td>South WW Trunk Fee/Unit</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Residential</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low Density</td>
<td>$1,394</td>
<td>$4,237</td>
<td>$1,181</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Medium Density</td>
<td>$697</td>
<td>$2,118</td>
<td>$994</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High Density¹</td>
<td>$228</td>
<td>$627</td>
<td>$337</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>$14,640</td>
<td>$44,485</td>
<td>$1,096</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office/Medical</td>
<td>$14,640</td>
<td>$44,485</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial</td>
<td>$15,686</td>
<td>$47,663</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Meter Size</strong></td>
<td>Residential</td>
<td>Non-Residential</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water Fee</td>
<td>Sewer Fee</td>
<td>Water Fee</td>
<td>Sewer Fee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5/8&quot;</td>
<td>$2,079</td>
<td>$2,831</td>
<td>$2,079</td>
<td>$2,831</td>
<td>$2,079</td>
<td>$2,831</td>
<td></td>
</tr>
<tr>
<td>3/4&quot;</td>
<td>$3,103</td>
<td>$4,225</td>
<td>$3,103</td>
<td>$4,225</td>
<td>$3,103</td>
<td>$4,225</td>
<td></td>
</tr>
<tr>
<td>1&quot;</td>
<td>$5,181</td>
<td>$7,056</td>
<td>$5,181</td>
<td>$7,056</td>
<td>$5,181</td>
<td>$7,056</td>
<td></td>
</tr>
<tr>
<td>1 1/2&quot;</td>
<td>$10,332</td>
<td>$14,070</td>
<td>$10,332</td>
<td>$14,070</td>
<td>$10,332</td>
<td>$14,070</td>
<td></td>
</tr>
<tr>
<td>2&quot;</td>
<td>$16,537</td>
<td>$22,521</td>
<td>$16,537</td>
<td>$22,521</td>
<td>$16,537</td>
<td>$22,521</td>
<td></td>
</tr>
<tr>
<td>3&quot;</td>
<td>$31,026</td>
<td>$42,253</td>
<td>$31,026</td>
<td>$42,253</td>
<td>$31,026</td>
<td>$42,253</td>
<td></td>
</tr>
<tr>
<td>4&quot;</td>
<td>$51,721</td>
<td>$70,435</td>
<td>$51,721</td>
<td>$70,435</td>
<td>$51,721</td>
<td>$70,435</td>
<td></td>
</tr>
<tr>
<td>6&quot;</td>
<td>$103,411</td>
<td>$140,828</td>
<td>$106,411</td>
<td>$140,828</td>
<td>$106,411</td>
<td>$140,828</td>
<td></td>
</tr>
<tr>
<td>8&quot;</td>
<td>$165,464</td>
<td>$225,333</td>
<td>$165,464</td>
<td>$225,333</td>
<td>$165,464</td>
<td>$225,333</td>
<td></td>
</tr>
<tr>
<td>10&quot;</td>
<td>$237,880</td>
<td>$323,951</td>
<td>$237,880</td>
<td>$323,951</td>
<td>$237,880</td>
<td>$323,951</td>
<td></td>
</tr>
<tr>
<td><strong>Residential Reduced Fees</strong></td>
<td>Transportation Fee/Unit</td>
<td>Police Fee/Unit</td>
<td>Fire Fee/Unit</td>
<td>Citywide Park Fee/Unit</td>
<td>Neighborhood Park Fee/Unit</td>
<td>General City Facilities Fee/Unit</td>
<td>Art In Public Place Fee/Unit</td>
</tr>
<tr>
<td>Low Density</td>
<td>$289</td>
<td>$307</td>
<td>$157</td>
<td>$1,584</td>
<td>$1,016</td>
<td>$251</td>
<td>$33</td>
</tr>
<tr>
<td>Medium Density</td>
<td>$157</td>
<td>$258</td>
<td>$132</td>
<td>$1,334</td>
<td>$856</td>
<td>$211</td>
<td>$27</td>
</tr>
<tr>
<td>High Density¹</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
<tr>
<td>Infill¹ (10 lots or less)</td>
<td>$157</td>
<td>$215</td>
<td>$110</td>
<td>$1,111</td>
<td>$713</td>
<td>$176</td>
<td>$23</td>
</tr>
</tbody>
</table>
## Electrical Fees

**Development Impact Mitigation Fees**  
**July 1, 2017 through June 30, 2018**

<table>
<thead>
<tr>
<th>Panel Category</th>
<th>Panel Size (amps)</th>
<th>208 Volts</th>
<th>240 Volts</th>
<th>480 Volts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Residential Three Phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>200</td>
<td></td>
<td>$1,178</td>
<td>$1,359</td>
<td>$2,718</td>
</tr>
<tr>
<td>400</td>
<td></td>
<td>$2,356</td>
<td>$2,718</td>
<td>$5,437</td>
</tr>
<tr>
<td>600</td>
<td></td>
<td>$3,534</td>
<td>$4,077</td>
<td>$8,155</td>
</tr>
<tr>
<td>800</td>
<td></td>
<td>$4,712</td>
<td>$5,437</td>
<td>$10,873</td>
</tr>
<tr>
<td>1,000</td>
<td></td>
<td>$5,890</td>
<td>n/a</td>
<td>$13,591</td>
</tr>
<tr>
<td>1,200</td>
<td></td>
<td>$7,068</td>
<td>N/A</td>
<td>$16,310</td>
</tr>
<tr>
<td>1,600</td>
<td></td>
<td>$9,423</td>
<td>n/a</td>
<td>$21,746</td>
</tr>
<tr>
<td>2,000</td>
<td></td>
<td>$11,779</td>
<td>n/a</td>
<td>$27,183</td>
</tr>
<tr>
<td>2,500</td>
<td></td>
<td>$14,724</td>
<td>n/a</td>
<td>$33,979</td>
</tr>
<tr>
<td>3,000</td>
<td></td>
<td>$17,669</td>
<td>n/a</td>
<td>$40,774</td>
</tr>
<tr>
<td>Residential Single Phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td>100</td>
<td></td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td>125</td>
<td></td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td>200</td>
<td></td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td>400</td>
<td></td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td>600</td>
<td></td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
<tr>
<td>Non-Residential Single Phase</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>60</td>
<td></td>
<td>N/A</td>
<td>$248</td>
<td>n/a</td>
</tr>
<tr>
<td>100</td>
<td></td>
<td>N/A</td>
<td>$413</td>
<td>n/a</td>
</tr>
<tr>
<td>125</td>
<td></td>
<td>N/A</td>
<td>$516</td>
<td>n/a</td>
</tr>
<tr>
<td>200</td>
<td></td>
<td>N/A</td>
<td>$826</td>
<td>n/a</td>
</tr>
<tr>
<td>400</td>
<td></td>
<td>N/A</td>
<td>$1,652</td>
<td>n/a</td>
</tr>
<tr>
<td>600</td>
<td></td>
<td>N/A</td>
<td>$2,478</td>
<td>n/a</td>
</tr>
</tbody>
</table>

1. Panel upgrade fees are determined as the difference between the fee for the existing panel and the proposed panel.
11. Regional Transportation Impact Fee Program (Fund 314)

The Regional Transportation Impact Fee (RTIF) is a county-wide, multi jurisdiction capital improvement funding program intended to cover a portion of the costs for new transportation facilities required to serve new development within the County of San Joaquin.

New development throughout the county is subject to the fee. The funding derived from the RTIF program is used in combination with other funding available to complete the needed transportation and transit improvements. More information on the program, including the RTIF Annual Report, including the most recent Nexus report, can be found at www.sjcog.org.

Due to the regional nature of transportation impacts and the regional benefit of transportation improvements, it is likely that many projects utilizing RTIF funds collected by the City of Lodi will actually be located outside the City’s boundaries. The relationship between the impacts and benefits of the development and those projects is identified in the Nexus Study.

Required Findings
1. The purpose of the RTIF program is to provide new development’s share of funding for regional transportation improvements facilities as required at build-out of the region.
2. The reasonable relationship between the RTIF fee and the purpose for which it is charged is demonstrated in the San Joaquin Regional Transportation Impact Fee Nexus Study dated April 24, 2017, amended June 2018.
3. The sources and amounts of funding anticipated necessary to complete RTIF improvements are in the San Joaquin Regional Transportation Impact Fee Nexus Study dated April 24, 2017, amended June 2018. The potential sources of funding for existing development’s share is gas tax, and other local, state, and federal funding.
4. The approximate date for funding and constructing some new facilities is shown in the SJCOG Regional Congestions Management Program report.
<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
<th>% Fee Funded in</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning balance July 1, 2017</strong></td>
<td>$1,289,223</td>
<td></td>
</tr>
<tr>
<td>Fees collected</td>
<td>$585,263</td>
<td></td>
</tr>
<tr>
<td>Interest earned/market loss</td>
<td>$4,002</td>
<td></td>
</tr>
<tr>
<td>Misc. revenue</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$589,265</td>
<td></td>
</tr>
<tr>
<td><strong>Disbursements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Harney Lane Grade Separation</td>
<td>$883,247</td>
<td>18%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$883,247</td>
<td></td>
</tr>
<tr>
<td><strong>Ending balance June 30, 2018</strong></td>
<td>$995,241</td>
<td></td>
</tr>
<tr>
<td><strong>Planned projects for Fiscal Year 2018/19</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project: Harney Lane Grade Separation</td>
<td>$7,154</td>
<td>100%</td>
</tr>
<tr>
<td><strong>Total Projects Planned for FY 18/19</strong></td>
<td>$7,154</td>
<td></td>
</tr>
</tbody>
</table>
## Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years

### Five Year Revenue Test Using First in first Out Method

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available Revenue Current Year</td>
<td>$745,407</td>
<td>$328,161</td>
<td>$990,809</td>
<td>$988,088</td>
<td>$988,088</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (2-yr Old Funds)</td>
<td>$411,444</td>
<td>$37,041</td>
<td>$679,417</td>
<td>$988,387</td>
<td>$589,265</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (3-yr Old Funds)</td>
<td>$419,460</td>
<td>$411,444</td>
<td>$92,519</td>
<td>$679,417</td>
<td>$988,387</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (4-yr Old Funds)</td>
<td>$217,316</td>
<td>$149,460</td>
<td>$37,041</td>
<td>$92,519</td>
<td>$679,417</td>
</tr>
<tr>
<td>Available Revenue Prior Fiscal Year (5-yr Old Funds)</td>
<td>$33,704</td>
<td>$217,316</td>
<td>$149,460</td>
<td>$37,041</td>
<td>$92,519</td>
</tr>
<tr>
<td>Available Revenue Greater than five Prior Fiscal Years</td>
<td>$103,558</td>
<td>$575,669</td>
<td>$1,041,719</td>
<td>$1,217,997</td>
<td>$1,398,540</td>
</tr>
</tbody>
</table>

### Five Year Expenditure to Revenue Match

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses Allocation Current Year</td>
<td>-</td>
<td>$92,519</td>
<td>$261,161</td>
<td>$382,530</td>
<td>$277,391</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (2-yr Old Funds)</td>
<td>-</td>
<td>$37,041</td>
<td>-</td>
<td>$67,000</td>
<td>$605,857</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (3-yr Old Funds)</td>
<td>-</td>
<td>$202,551</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (4-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expenses Allocation Prior Fiscal Year (5-yr Old Funds)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Expense Allocation Greater than Five Prior Fiscal Years</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Capital Improvement Projects

#### FY 2017-2018 Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harney Lane Grade Separation</td>
<td>$4,969,242</td>
<td>18%</td>
<td>$883,247</td>
<td>$4,085,995</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$4,969,242</td>
<td></td>
<td>$883,247</td>
<td>$4,085,995</td>
</tr>
</tbody>
</table>

#### FY 2016-2017 Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Project Amount</th>
<th>Percent Funded</th>
<th>Impact Fee</th>
<th>Non-Impact Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harney Lane Grade Separation</td>
<td>$6,634,978</td>
<td>7%</td>
<td>$449,530</td>
<td>$6,185,448</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$6,634,978</td>
<td></td>
<td>$449,530</td>
<td>$6,185,448</td>
</tr>
</tbody>
</table>

### Regional Transportation FUND: 314

**Statement of Revenues and Expenditures and Changes in Fund Balance for Last Five Fiscal Years**

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2013/14</th>
<th>FY 2014/15</th>
<th>FY 2015/16</th>
<th>FY 2016/17</th>
<th>FY 2017/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fees Collected</td>
<td>$32,372</td>
<td>$90,121</td>
<td>$671,994</td>
<td>$983,822</td>
<td>$585,263</td>
</tr>
<tr>
<td>Interest Earned/Mkt Gain/Loss</td>
<td>$4,669</td>
<td>$2,397</td>
<td>$7,422</td>
<td>$4,565</td>
<td>$4,002</td>
</tr>
<tr>
<td>Misc Revenue</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$37,041</td>
<td>$92,519</td>
<td>$679,417</td>
<td>$988,387</td>
<td>$589,265</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Impact Fee Administration</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>AB 1600 Disbursements</td>
<td>-</td>
<td>$505,815</td>
<td>$261,161</td>
<td>$449,530</td>
<td>$883,247</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$505,815</td>
<td>$261,161</td>
<td>$449,530</td>
<td>$883,247</td>
<td>$883,247</td>
</tr>
</tbody>
</table>

| Revenue Less Expenditures                        | $37,041    | ($413,296) | $418,256   | $538,857   | ($293,982) |
| Fund Balance, Beginning of Year                  | $708,366   | $745,407   | $332,111   | $750,367   | $1,289,223 |
| Fund Balance, End of Year                        | $745,407   | $332,111   | $750,367   | $1,289,223 | $995,241   |
| Assigned Fund Balance                            | -          | -          | $422,205   | $298,414   | $7,154     |
| Available Fund Balance                           | $745,407   | $332,111   | $328,161   | $990,809   | $988,088   |

**Available Revenue Greater than five Prior Fiscal Years**

- Available Revenue Prior Fiscal Year (5-yr Old Funds): $33,704
- Available Revenue Prior Fiscal Year (4-yr Old Funds): $217,316
- Available Revenue Prior Fiscal Year (3-yr Old Funds): $419,460
- Available Revenue Prior Fiscal Year (2-yr Old Funds): $411,444
- Available Revenue Current Year: $37,041
- Available Revenue Greater than five Prior Fiscal Years: $103,558

**Total Revenue Available**: $745,407

---

**Page 44 of 45**
## Regional Transportation Impact Fee
### July 1, 2017 through June 30, 2018

<table>
<thead>
<tr>
<th>Land Use Type</th>
<th>Current Fee Schedule</th>
<th>Annual Change @ 2.75%</th>
<th>FY 17/18 RTIF Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential (Single Family DUE)</td>
<td>$3,223.01</td>
<td>$88.63</td>
<td>$3,311.64</td>
</tr>
<tr>
<td>Residential (Multi-Family DUE)</td>
<td>$1,933.80</td>
<td>$53.18</td>
<td>$1,986.98</td>
</tr>
<tr>
<td>Retail (Sq. Ft.)</td>
<td>$1.28</td>
<td>$0.04</td>
<td>$1.32</td>
</tr>
<tr>
<td>Office (Sq. Ft.)</td>
<td>$1.62</td>
<td>$0.04</td>
<td>$1.66</td>
</tr>
<tr>
<td>Commercial/Industrial (Sq. Ft.)</td>
<td>$0.97</td>
<td>$0.03</td>
<td>$1.00</td>
</tr>
<tr>
<td>Warehouse (Sq. Ft.)</td>
<td>$0.41</td>
<td>$0.01</td>
<td>$0.42</td>
</tr>
<tr>
<td>*Other (per Trip)</td>
<td>$142.20</td>
<td>$(40.08)</td>
<td>$102.12</td>
</tr>
</tbody>
</table>

*Alternative fee calculation method for non-retail, non-residential development projects not otherwise adequately represented in the six land-use categories; typically projects with minimal or no building area that would nonetheless generate impacts to the transportation network. Examples include mining, intermodal and recreational facilities.*
<table>
<thead>
<tr>
<th>Date</th>
<th>Treasury Rate</th>
<th>Beginning Balance</th>
<th>Payments Made</th>
<th>Interest Accrued</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2001</td>
<td>N/A</td>
<td>$ 1,644,569.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,644,569.00</td>
</tr>
<tr>
<td>6/30/2001</td>
<td>3.72%</td>
<td>$ 1,644,569.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,644,569.00</td>
</tr>
<tr>
<td>9/30/2001</td>
<td>2.49%</td>
<td>$ 1,644,569.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,644,569.00</td>
</tr>
<tr>
<td>12/31/2001</td>
<td>2.17%</td>
<td>$ 1,644,569.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,644,569.00</td>
</tr>
<tr>
<td>3/31/2002</td>
<td>2.70%</td>
<td>$ 1,644,569.00</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,644,569.00</td>
</tr>
<tr>
<td>6/30/2002</td>
<td>2.06%</td>
<td>$ 1,644,569.00</td>
<td>$ (60,938.08)</td>
<td>$ -</td>
<td>$ 1,583,630.92</td>
</tr>
<tr>
<td>9/30/2002</td>
<td>1.53%</td>
<td>$ 1,583,630.92</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,583,630.92</td>
</tr>
<tr>
<td>12/31/2002</td>
<td>1.32%</td>
<td>$ 1,583,630.92</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,583,630.92</td>
</tr>
<tr>
<td>3/31/2003</td>
<td>1.19%</td>
<td>$ 1,583,630.92</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,583,630.92</td>
</tr>
<tr>
<td>6/30/2003</td>
<td>1.09%</td>
<td>$ 1,583,630.92</td>
<td>$ (186,867.44)</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>9/30/2003</td>
<td>1.15%</td>
<td>$ 1,396,763.48</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>12/31/2003</td>
<td>1.26%</td>
<td>$ 1,396,763.48</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>3/31/2004</td>
<td>1.20%</td>
<td>$ 1,396,763.48</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>6/30/2004</td>
<td>2.09%</td>
<td>$ 1,396,763.48</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>9/30/2004</td>
<td>2.21%</td>
<td>$ 1,396,763.48</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>12/31/2004</td>
<td>2.75%</td>
<td>$ 1,396,763.48</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>3/31/2005</td>
<td>3.35%</td>
<td>$ 1,396,763.48</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,396,763.48</td>
</tr>
<tr>
<td>6/30/2005</td>
<td>3.45%</td>
<td>$ 1,396,763.48</td>
<td>$ (171,590.91)</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>9/30/2005</td>
<td>4.01%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>12/31/2005</td>
<td>4.38%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>3/31/2006</td>
<td>4.82%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>6/30/2006</td>
<td>5.21%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>9/30/2006</td>
<td>4.91%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>12/31/2006</td>
<td>5.00%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>3/31/2007</td>
<td>4.90%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>6/30/2007</td>
<td>4.91%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>9/30/2007</td>
<td>4.05%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>12/31/2007</td>
<td>3.34%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>3/31/2008</td>
<td>1.55%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>6/30/2008</td>
<td>2.36%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>9/30/2008</td>
<td>1.78%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>12/31/2008</td>
<td>0.37%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>3/31/2009</td>
<td>0.57%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>6/30/2009</td>
<td>0.56%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>9/30/2009</td>
<td>0.40%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>12/31/2009</td>
<td>0.47%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>3/31/2010</td>
<td>0.41%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>6/30/2010</td>
<td>0.32%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>9/30/2010</td>
<td>0.27%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
<tr>
<td>12/31/2010</td>
<td>0.29%</td>
<td>$ 1,225,172.57</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 1,225,172.57</td>
</tr>
</tbody>
</table>
### EXHIBIT B

**RESTATED WATER IMF TO FIRE IMF INTERFUND LOAN**

<table>
<thead>
<tr>
<th>Date</th>
<th>Rate</th>
<th>Principal</th>
<th>Interest</th>
<th>Balance</th>
<th>Date</th>
<th>Rate</th>
<th>Principal</th>
<th>Interest</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/31/2011</td>
<td>0.30%</td>
<td>$1,225,172.57</td>
<td>-</td>
<td>$1,225,172.57</td>
<td>6/30/2011</td>
<td>0.19%</td>
<td>$1,225,172.57</td>
<td>-</td>
<td>$1,225,172.57</td>
</tr>
<tr>
<td>9/30/2011</td>
<td>0.13%</td>
<td>$1,225,172.57</td>
<td>-</td>
<td>$1,225,172.57</td>
<td>12/31/2011</td>
<td>0.12%</td>
<td>$1,225,172.57</td>
<td>-</td>
<td>$1,225,172.57</td>
</tr>
<tr>
<td>3/31/2012</td>
<td>0.19%</td>
<td>$1,225,172.57</td>
<td>-</td>
<td>$1,225,172.57</td>
<td>6/30/2012</td>
<td>0.21%</td>
<td>$1,225,172.57</td>
<td>(16,147.68)</td>
<td>-</td>
</tr>
<tr>
<td>9/30/2012</td>
<td>0.17%</td>
<td>$1,209,024.89</td>
<td>-</td>
<td>$1,209,024.89</td>
<td>12/31/2012</td>
<td>0.16%</td>
<td>$1,209,024.89</td>
<td>-</td>
<td>$1,209,024.89</td>
</tr>
<tr>
<td>3/31/2013</td>
<td>0.14%</td>
<td>$1,209,024.89</td>
<td>-</td>
<td>$1,209,024.89</td>
<td>6/30/2013</td>
<td>0.15%</td>
<td>$1,209,024.89</td>
<td>-</td>
<td>$1,209,024.89</td>
</tr>
<tr>
<td>9/30/2013</td>
<td>0.10%</td>
<td>$1,209,024.89</td>
<td>-</td>
<td>$1,209,024.89</td>
<td>12/31/2013</td>
<td>0.13%</td>
<td>$1,209,024.89</td>
<td>-</td>
<td>$1,209,024.89</td>
</tr>
<tr>
<td>3/31/2014</td>
<td>0.13%</td>
<td>$1,209,024.89</td>
<td>-</td>
<td>$1,209,024.89</td>
<td>6/30/2014</td>
<td>0.11%</td>
<td>$1,209,024.89</td>
<td>(35,000.00)</td>
<td>-</td>
</tr>
<tr>
<td>9/30/2014</td>
<td>0.13%</td>
<td>$1,174,024.89</td>
<td>-</td>
<td>$1,174,024.89</td>
<td>12/31/2014</td>
<td>0.25%</td>
<td>$1,174,024.89</td>
<td>-</td>
<td>$1,174,024.89</td>
</tr>
<tr>
<td>3/31/2015</td>
<td>0.26%</td>
<td>$1,174,024.89</td>
<td>-</td>
<td>$1,174,024.89</td>
<td>6/30/2015</td>
<td>0.28%</td>
<td>$1,174,024.89</td>
<td>-</td>
<td>$1,174,024.89</td>
</tr>
<tr>
<td>9/30/2015</td>
<td>0.33%</td>
<td>$1,174,024.89</td>
<td>-</td>
<td>$1,174,024.89</td>
<td>12/31/2015</td>
<td>0.65%</td>
<td>$1,174,993.46</td>
<td>-</td>
<td>$1,176,902.82</td>
</tr>
<tr>
<td>3/31/2016</td>
<td>0.59%</td>
<td>$1,176,902.82</td>
<td>-</td>
<td>$1,176,902.82</td>
<td>6/30/2016</td>
<td>0.45%</td>
<td>$1,178,638.75</td>
<td>(100,000.00)</td>
<td>$1,213.47</td>
</tr>
<tr>
<td>9/30/2016</td>
<td>0.59%</td>
<td>$1,079,852.22</td>
<td>-</td>
<td>$1,079,852.22</td>
<td>12/31/2016</td>
<td>0.81%</td>
<td>$1,081,432.58</td>
<td>-</td>
<td>$1,083,624.10</td>
</tr>
<tr>
<td>3/31/2017</td>
<td>1.02%</td>
<td>$1,083,624.10</td>
<td>-</td>
<td>$1,083,624.10</td>
<td>6/30/2017</td>
<td>1.23%</td>
<td>$1,086,377.59</td>
<td>-</td>
<td>$1,086,377.59</td>
</tr>
<tr>
<td>9/30/2017</td>
<td>1.29%</td>
<td>$1,089,711.41</td>
<td>-</td>
<td>$1,089,711.41</td>
<td>12/31/2017</td>
<td>1.73%</td>
<td>$1,093,223.55</td>
<td>-</td>
<td>$1,097,956.11</td>
</tr>
<tr>
<td>3/31/2018</td>
<td>2.09%</td>
<td>$1,097,956.11</td>
<td>-</td>
<td>$1,097,956.11</td>
<td>6/30/2018</td>
<td>2.33%</td>
<td>$1,103,692.93</td>
<td>-</td>
<td>$1,110,121.94</td>
</tr>
</tbody>
</table>
NEW LOAN TERMS

INTEREST WAIVER: Interest is hereby waived from the date of origin through June 30, 2015

RESTATED LOAN BALANCE as of July 1, 2018: $1,110,121.94

INTEREST ACCRUAL METHOD: Quarterly compounding

INTEREST RATE: Variable - 1 year United States Treasury Note as of the end of each quarter

REPAYMENT: Quarterly payment of all fee revenue collected. To be applied to outstanding principle prior to calculation of quarterly interest calculation.

FINAL TERM: June 30, 2024
THE CITY COUNCIL OF THE CITY OF LODI DOES ORDAIN AS FOLLOWS:

Section 15.64.030C of the Lodi Municipal Code is hereby rescinded in its entirety as shown below.

15.64.030 - Development impact funds.

C. The city manager shall have the authority to make loans among the development impact fee funds to assure adequate cash flow. Interest shall not be charged on loans within the development impact fee fund.

SECTION 2. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council of the City of Lodi hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective.

SECTION 3. No Mandatory Duty of Care. This Ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 4. Conflict. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 5. Effective Date. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

Approved this ___ day of _____, 2019

MARK CHANDLER
Mayor

ATTEST:

JENNIFER M. FERRAILO
City Clerk
I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. _____ was introduced at a regular meeting of the City Council of the City of Lodi held ________, 2019, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held ________, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. _____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

JENNIFER M. FERRAILO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney

Dated: July 17, 2019

I hereby certify that Ordinance No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAILO
City Clerk
AGENDA TITLE: Adopt Resolution Approving DeBenedetti Park Master Plan
MEETING DATE: July 17, 2019
PREPARED BY: Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION: Adopt resolution approving DeBenedetti Park Master Plan.

BACKGROUND INFORMATION: The City Council approved a contract with Callander Associates Landscape Architecture (CALA) on January 16, 2019, to develop a site master plan for DeBenedetti Park focusing on the undeveloped property at street level.

CALA had four goals, as directed by Parks, Recreation and Cultural Services: Design DeBenedetti Park in a way that 1) reflects community input, 2) does not require significant or extraordinary maintenance, 3) reflects the findings in the 2016 Strategic Plan, and 4) balances the need of the surrounding residents for neighborhood park amenities with the need for the park to serve the community’s larger recreational needs today and into the future.

To that end, CALA’s efforts included:
- Meeting with PRCS staff to better understand existing uses and past decisions, current strengths and weaknesses, as well as for feedback on draft alternatives and the draft final plan
- Meeting with other City department representatives to account for traffic concerns, stormwater needs, environmental impacts and public safety
- Meeting with external stakeholders, including local developers, Tree Lodi, Bike Lodi, Visit Lodi, Lodi Unified School District and sports organizations
- Providing the public with two opportunities to shape the future uses of DeBenedetti Park: the first through an open house to determine desired uses, and the second by facilitating and gathering feedback on the two alternative plans
- Using two online surveys that generated more than 700 responses
- Discussing public feedback with staff to ensure the proposed plan is consistent with the department’s Strategic Plan
- Presenting a draft plan to the Parks and Recreation Commission for feedback in a public forum

Staff’s opinion is that CALA has met all the goals and objectives desired for planning DeBenedetti Park. CALA representatives will present the final plan to the Council for review and approval at this meeting. The draft plan includes a change requested by the Parks and Recreation Commission to eliminate a paved driveway connecting the two parking lots with an unpaved path accessible only to emergency vehicles.

Staff believes the timing is right to adopt a new master plan for DeBenedetti Park. The park impact fee fund balance is approximately $1 million, with another $1.1 million expected from a single housing development in the next year. This will provide the funding needed to begin the next phase of development at the park. Overall, the park development will take several years to complete.

APPROVED: _________________________________
Stephen Schwabauer, City Manager
Once the park master plan is approved, PRCS will negotiate a new contract with CALA to prepare construction documents for the first one or two development phases.

**FISCAL IMPACT:** None by adopting the plan, although it leads to the next step in the park’s development, which is preparing plans and specifications for construction at a cost to be determined.

**FUNDING AVAILABLE:** Not applicable.

_______________________________
Jeff Hood
Parks, Recreation, and Cultural Services Director

JH:tl

cc: City Attorney
RESOLUTION NO. 2019-____
A RESOLUTION OF THE LODI CITY COUNCIL APPROVING
DEBENEDETTI PARK MASTER PLAN

WHEREAS, the City Council approved a contract with Callander Associates Landscape Architecture (CALA) on January 16, 2019, to develop a site master plan for DeBenedetti Park focusing on the undeveloped property at street level; and

WHEREAS, CALA has met the goals and objectives staff and the Parks and Recreation Commission has set for planning DeBenedetti Park; and

WHEREAS, staff desires to move forward and adopt the new master plan for DeBenedetti Park.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby approve the master plan for DeBenedetti Park, attached hereto as Exhibit A.

Dated: July 17, 2019

I hereby certify that Resolution No. 2019-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held July 17, 2019, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

JENNIFER M. FERRAIOLI
City Clerk
THANK YOU

Exhibit A

LEGEND
1. Entry Feature
2. Play Area
3. Multi-Generational Play Area
4. Nature Play Area
5. Basketball Court
6. Large Shade Shelter and Picnic Area
7. Medium Shade Shelter
8. Restrooms and Concessions Building
9. Picnic Area
10. Ballfield
   - Skinned Infield
   - 300' Outfield
   - Scorekeeper Table (uncovered)
   - Bleachers
   - Scoreboard
   - Field Lighting
11. Multi-Use Field
12. Bocce Courts
13. Outdoor Games Area
14. Basin Field Lighting
15. Boardwalk Overlook/Fishing Dock
16. Seating Mound
17. Drop-Off Area
18. Bandshell
19. Access to Lower Field
20. Jogging Path
21. Park Sign
22. Garbage Enclosure
23. Emergency Access/Promenade
24. Access Gate(s)

Total Parking Spaces = 299

DeBenedetti Park Master Plan
“EXPLORE”
JULY 17, 2019

MEETING DATE: July 17, 2019

PREPARED BY: City Clerk


BACKGROUND INFORMATION: Government Code section 84615 allows local government agencies to require an elected officer, candidate, or committee to file FPPC campaign statements, reports, or other documents online or electronically with a local filing officer. The City Clerk is the local filing officer for the City of Lodi.

In order for the City of Lodi to accept electronically filed statements, the City Council must adopt an ordinance permitting the use of an online filing system as an option for filing and designating the filings received electronically by the City Clerk’s Office as the filings of record for the City. In addition, the system must operate securely and effectively, be no cost to filers, be available to the public to view filings, not place an unduly burden on filers, and include procedures for filers to comply with the requirement that they sign statements and reports under penalty of perjury.

The City Council recently approved the services of NetFile, an electronic and paperless filing system for both FPPC Campaign Finance Disclosure and Statement of Economic Interest (Form 700) forms. Adoption of the proposed ordinance is required to implement electronic filings, relates only to the campaign finance component of the NetFile system, and will only apply to those filers that exceed a threshold of $2,000 for expending or receiving campaign funds. This threshold is consistent with the Political Reform Act (the “Act”), which recognizes campaigns that spend or raise more than $2,000 as “Controlled Committees.” Under the Act, these types of committees are obligated to file detailed campaign finance disclosure statements, also known as Form 460s. For those smaller campaigns that do not exceed the $2,000 threshold, they may continue to file paper versions of the Form 470 disclosure forms. It should be noted that the NetFile system is able to accommodate the online filing of several types of required forms by the FPPC, including Forms 460, 470, 496, and 497, which are the most commonly used in Lodi’s local election campaigns.

The NetFile system is created specifically for cities and counties responsible for administering campaign finance filings, meets the requirements of the Secretary of State, and allows for electronic and paperless filing of campaign statements.

Although Government Code 84615 authorizes a local agency to mandate electronic filing, staff recognizes that such mandates could have a direct effect on those committees or individuals who do not

APPROVED: ______________________________________________________________________
Stephen Schwabauer, City Manager
July 17, 2019
Page Two

have computer access or familiarity with computer programs. To prevent any hardship, staff is proposing a more moderate approach by drafting an ordinance that allows for elected officers, candidates, or committees to utilize the next 13 months to familiarize themselves with the system. No later than September 1, 2020, elected officers, candidates, and committees required to file Statements must file such Statements using the online system, unless exempt from the requirement to file online pursuant to Government Code Section 84615(a) because the officer, candidate, or committee receives less than $2,000 in contributions and makes less than $2,000 in expenditures in a calendar year. This approach will provide potential filers with the opportunity to receive training and establish a level of comfort and familiarity in using the system prior to the September 1, 2020 deadline.

To ensure a smooth transition, and as part of the agreement and acquisition of the system, NetFile and the City Clerk’s Office will offer extensive training to filers and committees. Staff will schedule one-on-one training with NetFile staff and individual filers and treasurers that will cover the entire electronic filing process. This will include the set-up of filer accounts, explaining the online filing process, showing how to input data and save reports, preparing statements for e-signature, and finalizing statements for electronic filing.

In terms of security, the NetFile system is a web-based, vendor-hosted application that utilizes “industry best practices” for securing data, using the same data encryption for online filings that is used by banks for online banking. NetFile stores and backs up data at three separate locations, creating the essential safety measures and redundancy that will allow for recovery of information in the event of an emergency or disaster. The City’s data will be retained for the required minimum 10-year period. For professional treasurers that have already purchased campaign software, NetFile is able to receive uploaded data from certain types of third-party applications for electronic filing purposes.

Implementation of the NetFile system will promote transparency and make it more convenient for committees, individuals, and the public. It provides 24-hour filing and viewing accessibility of campaign finance information from any computer, anywhere. In certain instances, the NetFile program will also increase the accuracy of filed campaign statements by prohibiting any filings that may have inadvertently omitted required information under the Act (e.g. missing addresses or the stated occupation of individual donors).

Statement of Economic Interest (Form 700)
In addition to campaign disclosure, the City Clerk will be converting Statement of Economic Interest Form 700 filers to electronic filing. This component of NetFile does not require an ordinance and is simply an internal procedure change. Filers will have the option to file electronically; however, to ensure reporting continuity, once a statement, report, or other document is filed electronically on behalf of any filer, all future reports and other documents filed on behalf of that filer must be filed electronically. The City Clerk is currently responsible for the annual filing of approximately 227 Form 700s, which include the City Council, Planning Commission, City Manager, City Attorney, Treasurer, designated City employees, board and commission members, and consultants. Form 700s occasionally need amendments or are submitted incomplete or without marked schedules attached. The Form 700 electronic filing incorporates an initial review process and alerts the filer of errors at the time he or she is entering information, thereby minimizing the need for the City Clerk to request amendments.

FISCAL IMPACT: Not applicable for this ordinance change. On May 15, 2019, Council approved funding the system cost of $8,500 annually for a total cost over five years of $42,500 from the City Clerk’s budget.

FUNDING AVAILABLE: Not applicable.

JMF Jennifer M. Ferraiolo, City Clerk
Government Code Section 84615

A local government agency may require an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 (commencing with Section 84100), except an elected officer, candidate, committee, or other person who receives contributions totaling less than two thousand dollars ($2,000), and makes expenditures totaling less than two thousand dollars ($2,000) in a calendar year, to file those statements, reports, or other documents online or electronically with a local filing officer. A local government agency that requires online or electronic filing pursuant to this section shall comply with all of the following:

(a) The legislative body for the local government agency shall adopt an ordinance approving the use of online or electronic filing, which shall include a legislative finding that the online or electronic filing system will operate securely and effectively and would not unduly burden filers. The ordinance adopted by the legislative body for the local government agency may, at the discretion of that legislative body, specify that the electronic or online filing requirements apply only to specifically identified types of filings or are triggered only by identified monetary thresholds. In any instance in which the original statement, report, or other document is required to be filed with the Secretary of State and a copy of that statement, report, or other document is required to be filed with the local government agency, the ordinance may permit, but shall not require, that the copy be filed online or electronically.

(b) The online or electronic filing system shall accept a filing in the standardized record format that was developed by the Secretary of State pursuant to paragraph (2) of subdivision (a) of Section 84602, or the local government agency may transition to the Cal-Access Replacement System format, and then the system shall accept a filing in the new standardized record format developed by the Secretary of State pursuant to subdivision (b) of Section 84602, and that is compatible with the Secretary of State’s system for receiving an online or electronic filing.

(c) The online or electronic filing system shall ensure the integrity of the data transmitted and shall include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.

(d) (1) The local filing officer shall issue to a person who files a statement, report, or other document online or electronically an electronic confirmation that notifies the filer that the statement, report, or other document was received. The confirmation shall include the date and the time that the statement, report, or other document was received by the filing officer and the method by which the filer may view and print the data received by the filing officer.

(2) A copy retained by the filer of a statement, report, or other document that was filed online or electronically and the confirmation issued pursuant to paragraph (1) that shows the filer timely filed the statement, report, or other document shall create a rebuttable presumption that the filer timely filed the statement, report, or other document.

(e) The date of filing for a statement, report, or other document that is filed online or electronically shall be the day that it is received by the local filing officer.

(f) The local filing officer shall make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the Internet shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or
any bank account number required to be disclosed by the filer. The local filing officer shall make a complete, unredacted copy of any statement, report, or other document filed pursuant to this section, including any street names, building numbers, and bank account numbers disclosed by the filer, available to any person upon request.

(g) The online or electronic filing system shall include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury pursuant to Section 81004.

(h) The local government agency shall enable filers to complete and submit filings free of charge.

(i) The local filing officer shall maintain, for a period of at least 10 years commencing from the date filed, a secured, official version of each online or electronic statement, report, or other document filed pursuant to this section, which shall serve as the official version of that record for purpose of audits and any other legal purpose. Data that has been maintained for at least 10 years may then be archived in a secure format.

(j) Notwithstanding any other provision of law, any statement, report, or other document filed online or electronically pursuant to this section shall not be required to be filed with the local filing officer in paper format.

(Amended by Stats. 2018, Ch. 662, Sec. 28. (SB 1239) Effective January 1, 2019. Conditionally operative on date prescribed by Stats. 2018, Ch. 662, Sec. 44.)
ORDINANCE NO. ____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LODI AMENDING LODI MUNICIPAL CODE TITLE 2 – ADMINISTRATION AND PERSONNEL – BY ADDING CHAPTER 2.18, "ELECTRONIC FILING OF CAMPAIGN DISCLOSURE STATEMENTS," RELATING TO ELECTRONIC AND PAPERLESS FILING OF FAIR POLITICAL PRACTICES COMMISSION CAMPAIGN DISCLOSURE STATEMENTS

WHEREAS, California Government Code Section 84615 provides that a legislative body of a local government agency may adopt an ordinance that requires an elected officer, candidate, committee, or other person required to file statements, reports, or other documents required by Chapter 4 of the Political Reform Act to file such statements, reports, or other documents online or electronically with the City Clerk.

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

SECTION 1. Purpose and Authority.

The purpose of this Ordinance is to add the option of filing Campaign Disclosure Statements by elected officials, candidates, or committees electronically. The City Council enacts this Ordinance in accordance with the authority granted to cities by state law. This ordinance is intended to supplement, and not conflict with, the Political Reform Act.

SECTION 2. Findings.

The City Council of the City of Lodi finds and determines as follows:

A. That California Government Code Section 84615 provides that a legislative body of a local government agency may adopt an ordinance that requires an elected officer, candidate, or committee, required to file statements, reports, or other documents required by Chapter 4 of the Political Reform Act to file such statements, reports, or other documents online or electronically with the City Clerk;

B. In any instance in which the original statement is required to be filed with the Secretary of State and a copy of that statement is required to be filed with the local government agency, the Ordinance may permit, but shall not require, that the copy be filed online or electronically;

C. The City Council expressly finds and determines that the City Clerk's web-based system contains multiple safeguards to protect the integrity and security of the data, it will operate securely and effectively, and it will not unduly burden filers; and

D. The City Clerk will operate the electronic filing system in compliance with the requirements of California Government Code Section 84615 and any other applicable laws.

SECTION 3. Addition.

Lodi Municipal Code Chapter 2.18, "Electronic Filing of Campaign Disclosure Statements," is hereby added to read as follow:
2.18.010 General.

A. Any elected officer, candidate, committee, or other person required to file statements, reports, or other documents ("Statements") as required by Chapter 4 of the Political Reform Act (California Government Code Section 84100 et seq.) may file such Statements using the City Clerk’s online system according to procedures established by the City Clerk. These procedures shall ensure that the online system complies with the requirements set forth in Section 84615 of the Government Code. From and after September 1, 2020, elected officers, candidates, and committees required to file Statements must file such Statements using the City Clerk’s online system, unless exempt from the requirement to file online pursuant to Government Code Section 84615(a) because the officer, candidate, or committee receives less than $2,000 in contributions and makes less than $2,000 in expenditures in a calendar year.

B. The online filing system shall ensure the integrity of the data transmitted and shall include safeguards against efforts to tamper with, manipulate, alter, or subvert the data.

C. The online filing system shall only accept a filing in the standardized record format that is developed by the California Secretary of State pursuant to Section 84602(a)(2) of the California Government Code and that is compatible with the Secretary of State’s system for receiving an online or electronic filing.

D. The online filing system shall include a procedure for filers to comply with the requirement that they sign statements and reports under penalty of perjury pursuant to Section 81004 of the Government Code.

2.18.020 Procedures for Utilizing Online Filing.

A. During the period commencing with the effective date of this Ordinance and ending August 31, 2020, an elected officer, candidate, or committee may choose to utilize the electronic filing system by electronically filing a Statement that is required to be filed with the City Clerk pursuant to Chapter 4 of the Political Reform Act. Once the elected officer, candidate, or committee has filed electronically, all subsequent Statements shall be filed electronically. From and after September 1, 2020, electronic filing is mandatory unless the officer, candidate, or committee is exempt as described in Section 2.18.010.A.

B. Any elected officer, candidate, or committee who has electronically filed a statement using the City Clerk’s online system is not required to file a copy of that document in paper format with the City Clerk.

C. The City Clerk shall issue an electronic confirmation that notifies the filer that the Statement was received, which notification shall include the date and the time that the Statement was received and the method by which the filer may view and print the data received by the City Clerk. The date of filing for a Statement filed online shall be the day that it is received by the City Clerk.

D. If the City Clerk’s system is not capable of accepting a Statement due to technical difficulties, an elected officer, candidate, or committee shall file that Statement in paper format with the City Clerk.

E. The online filing system shall enable electronic filers to complete and submit filings free of charge.
Availability of Statements for Public Review; Record Retention.

A. The City Clerk’s system shall make all the data filed available on the City’s webpage in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. The data made available on the City’s webpage shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed by the filer. The City Clerk’s office shall make a complete, unredacted copy of the statement, including any street names, building numbers, and bank account numbers disclosed by the filer, available to any person upon request.

B. The City Clerk’s office shall maintain, for a period of at least 10 years commencing from the date filed, a secured, official version of each online or electronic statement which shall serve as the official version of that record for purpose of audits and any other legal purpose.

SECTION 4. Severability. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this Ordinance or any part thereof. The City Council of the City of Lodi hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional or invalid or ineffective.

SECTION 5. No Mandatory Duty of Care. This Ordinance is not intended to and shall not be construed or given effect in a manner which imposes upon the City, or any officer or employee thereof, a mandatory duty of care towards persons or property within the City or outside of the City so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

SECTION 6. Conflict. All ordinances and parts of ordinances in conflict herewith are repealed insofar as such conflict may exist.

SECTION 7. Effective Date. This ordinance shall be published pursuant to law and shall become effective 30 days from the date of passage and adoption.

Approved this ____ day of ______, 2019

MARK CHANDLER
Mayor

ATTEST:

JENNIFER M. FERRAILO
City Clerk
I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that Ordinance No. _____ was introduced at a regular meeting of the City Council of the City of Lodi held ________, 2019, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held ________, 2019, by the following vote:

**AYES:** COUNCIL MEMBERS –

**NOES:** COUNCIL MEMBERS –

**ABSENT:** COUNCIL MEMBERS –

**ABSTAIN:** COUNCIL MEMBERS –

I further certify that Ordinance No. _____ was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

__________________________________
JENNIFER M. FERRAILOLO
City Clerk

Approved as to Form:

__________________________________
JANICE D. MAGDICH
City Attorney
AGENDA ITEM I-01

CITY OF LODI
COUNCIL COMMUNICATION

AGENDA TITLE: Ordinance No. 1962 Entitled, “An Ordinance of the City Council of the City of Lodi Levying and Apportioning the Special Tax in Territory Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8)”

MEETING DATE: July 17, 2019

PREPARED BY: City Clerk

RECOMMENDED ACTION: Motion waiving reading in full and (following reading by title) adopting the attached Ordinance No. 1962.

BACKGROUND INFORMATION: Ordinance No. 1962 entitled, “An Ordinance of the City Council of the City of Lodi Levying and Apportioning the Special Tax in Territory Annexed to Community Facilities District No. 2007-1 (Public Services) (Annexation No. 8),” was introduced at the regular City Council meeting of June 19, 2019.

ADOPTION: With the exception of urgency ordinances, no ordinance may be passed within five days of its introduction. Two readings are therefore required – one to introduce and a second to adopt the ordinance. Ordinances may only be passed at a regular meeting or at an adjourned regular meeting; except for urgency ordinances, ordinances may not be passed at a special meeting. Id. All ordinances must be read in full either at the time of introduction or at the time of passage, unless a regular motion waiving further reading is adopted by a majority of all council persons present. Cal. Gov’t Code § 36934. Ordinances take effect 30 days after their final passage. Cal. Gov’t Code § 36937.

This ordinance has been approved as to form by the City Attorney.

FISCAL IMPACT: Not applicable.

FUNDING AVAILABLE: Not applicable.

_________________________________________
Jennifer M. Ferraiolo
City Clerk

JMF/PMF
Attachment

APPROVED: _____________________________
Stephen Schwabauer, City Manager

N:\Administration\CLERK\Council\COUNCOM\Ordinance1.DOC
WHEREAS, the City Council of the City of Lodi (the “City Council”) has established Community Facilities District No. 2007-1 (Public Services) (the “CFD”) pursuant to Resolution No. 2007-59 (the “Resolution of Formation”), duly adopted on April 4, 2007, for the purpose of providing for the financing of certain public services in and for the CFD; and

WHEREAS, the City Council duly adopted Resolution No. 2019-118 (the “Resolution”) on June 19, 2019, wherein the City Council submitted the question of levying a special tax in territory proposed to be annexed to the CFD at the rate and according to the method of apportionment described therein; and

WHEREAS, at an election held in the territory proposed to be annexed to the CFD on June 19, 2019, the qualified electors of such territory authorized the levy of the special tax described in the Resolution; and

WHEREAS, the City Council duly adopted Resolution No. 2019-119 on June 19, 2019, wherein the City Council determined that the territory proposed to be annexed was added to the CFD (such territory being referred to herein as “Annexation No. 8”).

NOW, THEREFORE, BE IT ENACTED by the City Council of the City of Lodi:

Section 1. Recitals. The foregoing recitals are true and correct.

Section 2. Levy of Special Tax. Pursuant to Section 53340 of the California Government Code, the special tax is hereby levied for Fiscal Year 2019/20 at the maximum rates and apportioned in the manner specified in the Resolution.

Section 3. Collection of Special Tax. Pursuant to Section 53340 of the California Government Code and the Resolution, the special tax shall be collected in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same procedure, sale, and lien priority in case of delinquency as is provided for ad valorem taxes; provided, however, that the City may directly bill the special tax, may collect special taxes at a different time or in a different manner if necessary to meet the financial obligations of the CFD or as otherwise determined appropriate by the City.

Section 4. Claims for Refund. Claims for refund of the tax shall comply with the following and any additional procedures as established by the City Council:

(a) All claims shall be filed, in writing, with the City Treasurer during the Fiscal Year in which the error is believed to have occurred. The claimant shall file the claim within this time period and the claim shall be finally acted upon by the City Council as a prerequisite to bringing suit thereon.
(b) Pursuant to Government Code section 935(b), the claim shall be subject to the provisions of Government Code sections 945.6 and 946.

(c) The City Council shall act on a timely claim within the time period required by Government Code section 912.4.

(d) The procedure described in this Ordinance, and any additional procedures established by the City Council, shall be the exclusive claims procedure for claimants seeking a refund of the tax. The decision of the City Council shall be final.

Section 5. **No Mandatory Duty of Care.** This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care towards persons and property within or without the City, so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 6. **Severability.** If any provision of this Ordinance or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or applications of the Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable. This City Council hereby declares that it would have adopted this Ordinance irrespective of the invalidity of any particular portion thereof and intends that the invalid portions should be severed and the balance of the Ordinance be enforced.

Section 7. **Effective Date and Publication.** This Ordinance shall take effect thirty (30) days after its adoption. In lieu of publication of the full text of the Ordinance within fifteen (15) days after its passage, a summary of the Ordinance may be published at least five (5) days prior to and fifteen (15) days after adoption by the City Council, and a certified copy shall be posted in the office of the City Clerk pursuant to Government Code section 36933(c)(1).

Approved this ___ day of ____, 2019

___________________________________
MARK CHANDLER
Mayor

Attest:

_______________________________
JENNIFER M. FERRAILO
City Clerk
State of California  
County of San Joaquin, ss.

I, Jennifer M. Ferraiolo, City Clerk of the City of Lodi, do hereby certify that uncodified Ordinance No. 1962 was introduced at a regular meeting of the City Council of the City of Lodi held June 19, 2019, and was thereafter passed, adopted, and ordered to print at a regular meeting of said Council held _____, 2019, by the following vote:

AYES: COUNCIL MEMBERS –
NOES: COUNCIL MEMBERS –
ABSENT: COUNCIL MEMBERS –
ABSTAIN: COUNCIL MEMBERS –

I further certify that Ordinance No. 1962 was approved and signed by the Mayor on the date of its passage and the same has been published pursuant to law.

______________________________
JENNIFER M. FERRAILOLO
City Clerk

Approved as to Form:

By:__________________________
JANICE D. MAGDIC
City Attorney