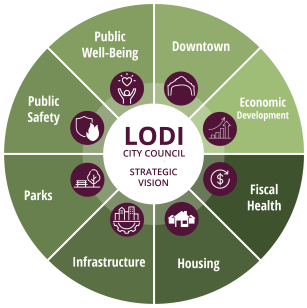
LODI CITY COUNCIL

Carnegie Forum
305 West Pine Street, Lodi

AGENDA - Regular Meeting
Date: May 20, 2026
Time: 7:00 p.m.

Mayor Ramon Yepez
Mayor Pro Tempore Mikey Hothi
Councilmember Cameron Bregman
Councilmember Lisa Craig-Hensley
Councilmember Alan Nakanishi



Notice Regarding Public Comments

Public Comment may be submitted in the following ways:

- In-person
- Email – councilcomments@lodi.gov
  > Received no later than two hours prior to the meeting
- Mail – City Clerk's Office, P.O. Box 3006, Lodi, CA 95241
- Hand delivered to: City Clerk's Office, 221 W. Pine Street, Lodi, CA 95240
  > Received no later than two hours prior to the meeting
- Virtually - Zoom Webinar
  > Meeting ID: 880 6937 8747
  > Passcode: 414775
  > Phone number: 1 253 215 8782 or 1 346 248 7799
  > Link:
  https://us06web.zoom.us/j/88069378747?pwd=MM9O6wCyOOsxreYqabbqWnH9Gx2hHp.1

Public comment received via email, mail, or hand delivery will be provided to the City Council and included in the official minutes of the meeting, but will not be read aloud at the meeting.

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.

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

A. Call to Order / Roll Call

B. Presentations

B.1 Presentation of Proclamation Proclaiming the Month of May 2026 as ALS Awareness Month in Lodi (PD)

Attachments: Attachment 1 - Proclamation

B.2 Presentation of Non-Profit Allocation Check to Booster of Boys and Girls Sports (CLK)

B.3 Presentation of Non-Profit Allocation Check to the Lodi Chaplaincy Association (CLK)

B.4 Presentation of Non-Profit Allocation Check to the Lodi Police PARTNERS Foundation (CLK)

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

All matters listed on the consent calendar are considered to be routine and will be acted upon by one motion. There will be no separate discussion of these items. If a member of the public would like a consent calendar item pulled and discussed separately, refer to the Notice at the beginning of this agenda.

C.1 Approve Minutes
a) January 2, 2024 (Shirtsleeve Session)
b) January 9, 2024 (Shirtsleeve Session)
c) January 16, 2024 (Shirtsleeve Session)
d) January 23, 2024 (Shirtsleeve Session)
e) January 30, 2024 (Shirtsleeve Session)
f) February 6, 2024 (Shirtsleeve Session)
g) February 13, 2024 (Shirtsleeve Session)
h) February 20, 2024 (Shirtsleeve Session)
i) February 27, 2024 (Shirtsleeve Session)
j) March 5, 2024 (Shirtsleeve Session)
k) March 12, 2024 (Shirtsleeve Session)
l) March 19, 2024 (Shirtsleeve Session)
m) March 26, 2024 (Shirtsleeve Session)

Attachments: Attachment 1 - Shirtsleeve Meeting Minutes of January 2, 2024
Attachment 2 - Shirtsleeve Meeting Minutes of January 9, 2024
Attachment 3 - Shirtsleeve Meeting Minutes of January 16, 2024
Attachment 4 - Shirtsleeve Meeting Minutes of January 23, 2024
Attachment 5 - Shirtsleeve Meeting Minutes of January 30, 2024
Attachment 6 - Shirtsleeve Meeting Minutes of February 6, 2024
Attachment 7 - Shirtsleeve Meeting Minutes of February 13, 2024
Attachment 8 - Shirtsleeve Meeting Minutes of February 20, 2024
Attachment 9 - Shirtsleeve Meeting Minutes of February 27, 2024
Attachment 10 - Shirtsleeve Meeting Minutes of March 5, 2024
Attachment 11 - Shirtsleeve Meeting Minutes of March 12, 2024
Attachment 12 - Shirtsleeve Meeting Minutes of March 19, 2024
Attachment 13 - Shirtsleeve Meeting Minutes of March 26, 2024

Res. **C.2** Adopt a Resolution Authorizing the Interim City Manager to Execute Amendment No. 4 with Granicus, LLC, for an Additional Three-Year Term, In an Amount Not to Exceed $189,271.31 (CLK)

Attachments: Attachment 1 - Amendment No. 4
Attachment 2 - Resolution

Res. **C.3** Adopt a Resolution Authorizing Interim City Manager to Execute Amendment No. 4 with Complete Paperless Solutions for Records Management Services for a Total not to Exceed $74,332.10 (CLK)

Attachments: Attachment 1 - Amendment No. 4
Attachment 2 - Resolution

Res. **C.4** Authorize City Clerk to Grant Request for Leave to Present Late Claim, by Misheel Chuluun, Pursuant to Government Code Section 911.6(a) (CA)

Attachments: Attachment 1 - Leave to Present Late Claim Request
Attachment 2 - Claim 25-88
Attachment 3 - Rejection of Claim

C.5 Accept Improvements Under Contract for Reimagined Housing on Main (Phase 2) (CD)

Res. **C.6** Adopt a Resolution of the Lodi City Council Accepting the Lodi Fire Department's Annual Compliance Report Regarding Hotel, Apartment, and School Inspections as Mandated by Senate Bill No. 1205 (FD)

Attachments: Attachment 1 - Resolution

Res. **C.7** Adopt a Resolution Authorizing the Interim City Manager to Execute Amendment No. 1 for the Professional Services Agreement with Mosaic Public Partners LLC, to Perform Recruitment Services for a Total Agreement Not-To-Exceed $72,500 (IS - HR)

Attachments: Attachment 1 - Resolution 2025-147
Attachment 2 - Amendment 1
Attachment 3 - Resolution

Res. **C.8** Adopt a Resolution Authorizing Interim City Manager to Waive the Bid Process, Purchase Four (4) John Deere Pro Gator 2030A Diesel Model Utility Vehicles from BELKORP AG of Stockton, California Using Cooperative Agreement with Sourcewell Grounds Maintenance Equipment Contract #112624- DAC and Appropriate Funds ($180,000) (PRCS)

Attachments: Attachment 1 - Quote
Attachment 2 - Contract #112624-DAC
Attachment 3 - Resolution

Res. **C.9** Adopt a Resolution Authorizing the Lodi Police Department to Participate in the Department of Alcoholic Beverage Control (ABC)-Office of Traffic Safety (OTS) Grant Program Approving the Execution of the Grant Documents by the Chief of Police on Behalf of the City of Lodi and Appropriating Funds ($30,000) (PD)

Attachments: Attachment 1 - Agreement
Attachment 2 - Resloution

Res. **C.10** Adopt a Resolution Authorizing the Purchase and Installation of Office Systems Furniture from Durst Contract Interiors, of Stockton, to Furnish the New Animal Services Facility, in the Amount of $99,843.78 (PD)

Attachments: Attachment 1 - Proposal
Attachment 2 - Haworth Sourcewell Contract
Attachment 3 - 208 CIP GFCP-22004 New Animal Shelter.RA
Attachment 4 - Resolution

Res. **C.11** Adopt a Resolution Authorizing Interim City Manager to Execute Additional Change Orders to the White Slough Water Pollution Control Facility Electrical Building Associated Improvements Project ($700,000) and Appropriate Funds ($1,300,000) and Authorizing Electric Utility to Obtain Bids and Purchase Power Cable from Lowest Responsive Bidder ($400,000) (PW/EU)

Attachments: Attachment 1 - Capital Improvement Plan
Attachment 2 - Resolution

Res. **C.12** Adopt a Resolution Authorizing Interim City Manager to Execute 3-Year Professional Services Agreement with Websoft Developers, Inc., of Davis, for Public Works Asset Management Software ($233,697) (PW)

Attachments: Attachment 1 - Professional Service Agreement
Attachment 2 - Resolution

Res. **C.13** Approve Plans and Specifications and Authorize Advertisement for Bids for 2026 Pavement Resurfacing Project, and Adopt a Resolution Authorizing Interim City Manager to Award Contract to Lowest Responsive Bidder, Execute Change Orders ($1,800,000 Combined) and Appropriate Funds ($1,800,000) (PW)

Attachments: Attachment 1 - Exhibit A
Attachment 2 - Capital Improvement Plan
Attachment 3 - Resolution

C.14 Post for Vacancies and an Expiring Terms on the Greater Lodi Area Youth Commission (CLK)

C.15 Set a Public Hearing for June 3, 2026, to Consider Adopting a Resolution Approving the Draft 2026-2027 Annual Action Plan for the Community Development Block Grant Program (CDBG) (CD)

C.16 Set a Public Hearing for June 3, 2026 to Consider a Resolution Adopting the Downtown Specific Plan (CD)

C.17 Set a Public Hearing for June 3, 2026, to Conduct the Annual Review of Ordinance 2001, Lodi Municipal Code Chapter 2.26, and Consider Adopting a Resolution Approving the Annual Review and Report of the Military Equipment Use Policy (PD)

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.

If you wish to address the Council, please refer to the Notice at the beginning of this agenda. Individuals are limited to one appearance during this section of the Agenda.

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

F. Public Hearings

G. Regular Calendar

G.1 Receive and File City's Annual Comprehensive Financial Report for Fiscal Year 2024/25 by LSL, LLP (IS - FIN)

Attachments: Attachment 1 - Annual Comprehensive Financial Report FYE 2025
Attachment 2 - Lodi Council Presentation FY 2025

G.2 Receive Presentation Regarding Fiscal Year 2026/27 Enterprise, Special Revenue and Capital Outlay (IS - BUD)

Attachments: Attachment 1 - Presentation

H. Ordinances

I. 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.

Olivia Nashed
City Clerk

All staff reports or other written documentation relating to each item of business referred to on the agenda are on file in the Office of the City Clerk, located at 221 W. Pine Street, Lodi, and are available for public inspection. Agendas and staff reports are also posted on the City's website at www.lodi.gov. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. To make a request for disability-related modification or accommodation contact the City Clerk's Office as soon as possible and at least 72 hours prior to the meeting date. Language interpreter requests must be received at least 72 hours in advance of the meeting to help ensure availability. Contact Olivia Nashed at (209) 333-6702. Solicitudes de interpretación de idiomas deben ser recibidas por lo menos con 72 horas de anticipación a la reunión para ayudar a asegurar la disponibilidad. Llame a Olivia Nashed (209) 333-6702.

Meetings of the Lodi City Council are telecast on SJTV, Channel 26. The City of Lodi provides live and archived webcasts of regular City Council meetings. The webcasts can be found on the City's website at www.lodi.gov by clicking the meeting webcasts link. Members of the public may view and listen to the open session of this meeting at www.youtube.com/@cityoflodi_publicmeetings.

COUNCIL COMMUNICATION

AGENDA TITLE:
Presentation of Proclamation Proclaiming the Month of May 2026 as ALS Awareness Month in Lodi (PD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Andrea Morales, Administrative Assistant

RECOMMENDED ACTION:
Mayor Ramon Yepez will present a proclamation proclaiming the month of May 2026 as ALS Awareness Month.

BACKGROUND INFORMATION:
Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig's disease, is a progressive and fatal neurodegenerative disease that affects nerve cells in the brain and spinal cord, resulting in the gradual loss of voluntary muscle movement. There is currently no known cause, prevention, or cure.

Approximately 5,000 Americans are diagnosed with ALS each year, including retired Lodi Police Officer Chuck Fromm, who served the community for 28 years before retiring in 2007, and passed away in March 2026 following a courageous battle with ALS.

ALS affects individuals of all backgrounds and has a significant impact on patients, families, and caregivers. Veterans are at an increased risk of developing ALS, and the U.S. Department of Veterans Affairs recognizes ALS as a service-connected disease.

ALS Awareness Month helps increase public understanding of the disease, honors those affected, and supports continued research efforts toward treatment and a cure.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

PROCLAMATION

Amyotrophic Lateral Sclerosis (ALS) Month

WHEREAS, Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig's disease, is a progressive fatal neurodegenerative disease that attacks nerve cells in the brain and spinal cord; making even the simplest movements such as walking, speaking, gesturing difficult; and

WHEREAS, approximately 5,000 people in the United States are diagnosed with ALS each year, including retired Lodi Police Officer Chuck Fromm, who proudly served his community for 28 years and retired in 2007. Chuck passed away in March after courageously battling this devastating disease; and

WHEREAS, ALS strikes people regardless of race, age, gender, ethnicity, or social status, and currently has no known cause, means of prevention, or cure, making diagnosis difficult and treatment particularly challenging; and

WHEREAS, finding the causes and cure for ALS will prevent the disease from robbing hundreds of thousands of Americans of their dignity and lives; and

WHEREAS, individuals diagnosed with ALS survive, on average, only two to five years from the time of diagnosis; and

WHEREAS, ALS Awareness Month increases public understanding of the severe challenges faced by those living with ALS and acknowledges the profound impact this disease has not only on individuals, but also on their families and communities; and

WHEREAS, ALS Awareness Month increases the public's awareness of people with ALS's dire circumstances, and acknowledges the terrible impact this disease has, not only on the person affected, but on his or her family and their community. ALS Awareness Month also recognizes the research being done to eradicate this disease, and encourages Americans to focus on their heart health and encourages them to get their families, friends, and communities involved.

WHEREAS, ALS Awareness Month also recognizes the ongoing research efforts to eradicate this disease and encourages Americans to support these efforts and promote community involvement.

NOW, THEREFORE, BE IT RESOLVED that I, Ramon Yepez, Mayor of the City of Lodi, do hereby proclaim May 2026, as Amyotrophic Lateral Sclerosis (ALS) Awareness month, in honor of retired Lodi Police Officer Chuck Fromm, and in remembrance of all those who have lost their lives to this devastating disease, as well as in support of the loved ones they leave behind.

SIGNED this 20th day of May, 2026

COUNCIL COMMUNICATION

AGENDA TITLE:
Presentation of Non-Profit Allocation Check to Booster of Boys and Girls Sports (CLK)

MEETING DATE:
May 20, 2026

PREPARED BY:
Olivia Nashed, City Clerk

RECOMMENDED ACTION:
Presentation of Non-Profit Allocation Check to Booster of Boys and Girls Sports.

BACKGROUND INFORMATION:
On May 6, 2026, the City Council adopted Resolution 2026-077, at the recommendation of Mayor Pro Tempore Hothi, finding that the Booster of Boys and Girls Sports proposal complies with the Non-Profit Fund Policy, Council's strategic vision, and that it will provide public benefit for the City of Lodi and its residents. The resolution approved a total allocation of $5,000 in public benefit funds to Booster of Boys and Girls Sports, from the District 5 Non-Profit Fund; and directed Booster of Boys and Girls Sports to provide quarterly reports to the City Clerk on the use of the non-profit funds received during the life of the project.

Mayor Pro Tempore Hothi will present a check of $5,000 to Booster of Boys and Girls Sports.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

COUNCIL COMMUNICATION

AGENDA TITLE:
Presentation of Non-Profit Allocation Check to the Lodi Chaplaincy Association (CLK)

MEETING DATE:
May 20, 2026

PREPARED BY:
Olivia Nashed, City Clerk

RECOMMENDED ACTION:
Presentation of Non-Profit Allocation Check to the Lodi Chaplaincy Association.

BACKGROUND INFORMATION:
On April 15, 2026, the City Council adopted Resolution 2026-075, at the recommendation of Council Member Bregman, finding that the Lodi Chaplaincy Association proposal complies with the Non-Profit Fund Policy, Council's strategic vision, and that it will provide public benefit for the City of Lodi and its residents. The resolution approved a total allocation of $5,000 in public benefit funds to the Lodi Chaplaincy Association, from the District 3 Non-Profit Fund; and directed the Lodi Chaplaincy Association to provide quarterly reports to the City Clerk on the use of the non-profit funds received during the life of the project.

Council Member Bregman will present a check of $5,000 to the Lodi Chaplaincy Association.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

COUNCIL COMMUNICATION

AGENDA TITLE:
Presentation of Non-Profit Allocation Check to the Lodi Police PARTNERS Foundation (CLK)

MEETING DATE:
May 20, 2026

PREPARED BY:
Olivia Nashed, City Clerk

RECOMMENDED ACTION:
Presentation of Non-Profit Allocation Check to the Lodi Police PARTNERS Foundation.

BACKGROUND INFORMATION:
On April 15, 2026, the City Council adopted Resolution 2026-076, at the recommendation of Council Member Bregman, finding that the Lodi Police PARTNERS Foundation proposal complies with the Non-Profit Fund Policy, Council's strategic vision, and that it will provide public benefit for the City of Lodi and its residents. The resolution approved a total allocation of $15,000 in public benefit funds to Lodi Police PARTNERS Foundation, from the District 3 Non-Profit Fund; and directed the Lodi Police PARTNERS Foundation to provide quarterly reports to the City Clerk on the use of the non-profit funds received during the life of the project.

Council Member Bregman will present a check of $15,000 to the Lodi Police PARTNERS Foundation.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

COUNCIL COMMUNICATION

AGENDA TITLE:
Approve Minutes
a) January 2, 2024 (Shirtsleeve Session)
b) January 9, 2024 (Shirtsleeve Session)
c) January 16, 2024 (Shirtsleeve Session)
d) January 23, 2024 (Shirtsleeve Session)
e) January 30, 2024 (Shirtsleeve Session)
f) February 6, 2024 (Shirtsleeve Session)
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j) March 5, 2024 (Shirtsleeve Session)
k) March 12, 2024 (Shirtsleeve Session)
l) March 19, 2024 (Shirtsleeve Session)
m) March 26, 2024 (Shirtsleeve Session)

MEETING DATE:
May 20, 2026

PREPARED BY:
Pam Farris, Interim Assistant City Clerk

RECOMMENDED ACTION:
Approve the following minutes as prepared:
a) January 2, 2024 (Shirtsleeve Session)
b) January 9, 2024 (Shirtsleeve Session)
c) January 16, 2024 (Shirtsleeve Session)
d) January 23, 2024 (Shirtsleeve Session)
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m) March 26, 2024 (Shirtsleeve Session)

BACKGROUND INFORMATION:
Attached is a copy of the subject minutes marked Attachment 1 through Attachment 13, respectively.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JANUARY 2, 2024

The January 2, 2024, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JANUARY 9, 2024

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 9, 2024, commencing at 7:03 a.m.

A. ROLL CALL

Present: Council Member Hothi, Council Member Nakanishi, Council Member Yepez, Mayor Pro Tempore Bregman, and Mayor Craig

Absent: City Attorney Lucchesi

Also Present: Interim City Manager Keys and City Clerk Nashed

B. TOPIC(S)

B-1 Receive Information from Waste Management Related to Overage and Contamination Data Collected During Roll-Out Period of September 1, 2023 through November 30, 2023 (PW)

Management Analyst Tiffani Christy, of the Public Works Department, provided background information and introduced Waste Management staff members Vanessa Barberis and Danny Uribe.

Ms. Barberis provided a PowerPoint presentation regarding overage and contamination data collected. Specific topics of discussion included background, deadlines, resident notification and outreach, the overage and contamination program moving from education to automatic upsizing for repeated violations, upcoming start of weekly organic pickup and the related route changes, color-compliant cart distribution, resident requests for additional education, presentation of 12 weeks of data regarding overage and contamination, next steps, and additional programs provided for the City of Lodi by Waste Management.

Management Analyst Christy provided additional information on the update of the City of Lodi website, the organics waiver program available to commercial customers, and clarification on the Christmas tree pickup program.

Public Works Director Charlie Swimley expressed appreciation for Council's support during the implementation of the waste collection changes.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 7:35 a.m.

ATTEST:

Olivia Nashed
City Clerk

LODI CITY COUNCIL - SHIRTSLEEVE
SHIRTSLEEVE SESSION
CARNEGIE FORUM
305 WEST PINE STREET, LODI
TUESDAY, JANUARY 16, 2024 - 7:00 AM

A. Call to Order / Roll Call

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 16, 2024, commencing at 7:03 a.m.

Present: Council Member Hothi, Council Member Nakanishi, Council Member Yepez, Mayor Pro Tempore Bregman, and Mayor Craig

Absent: None

Also Present: Interim City Manager Keys, City Attorney Lucchesi, and City Clerk Nashed

B. Topics

B.1 Receive a Presentation on Access Center Project Updates and Discussion (CD)

Interim City Manager Keys provided a brief overview, including the project objectives, and introduced Community Development Director John Della Monica and Neighborhood Services Manager Jennifer Rhyne. Community Development Director Della Monica outlined the need for Council input on design options. Neighborhood Services Manager Rhyne and Community Development Director Della Monica jointly provided a PowerPoint presentation on the Access Center Project design update. Specific topics of discussion included objectives and options, comparison of options, value engineering, Option 1 (current Access Center) exterior design site plan and interior diagram, and Option 2 (revised Access Center) exterior design site plan and interior diagram.

In response to Mayor Pro Tempore Bregman, Community Development Director Della Monica provided information regarding the timeline for the revised design.

In response to a member of the public, Community Development Director Della Monica clarified the bed count and the bathroom and shower capacity for the revised plan, and provided information regarding the versatility of the revised plan to increase the bed count in the future.

In response to Mayor Craig, Community Development Director Della Monica and Neighborhood Services Manager Rhyne provided information regarding the cost profile level of service, adherence to occupancy code, and funding for the workforce education center.

In response to Council Member Nakanishi, Neighborhood Services Manager Rhyne provided information regarding the bed count, the upcoming Point in Time count, and allowable enforcement.

In response to Mayor Craig, Neighborhood Services Manager Rhyne provided information regarding the new process for the upcoming Point in Time count.

City Council provided direction to pursue Option 2.

C. Comments by the Public on Non-Agenda Items – None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:33 a.m.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

LODI CITY COUNCIL - SHIRTSLEEVE
SHIRTSLEEVE SESSION
CARNEGIE FORUM
305 WEST PINE STREET, LODI
TUESDAY, JANUARY 23, 2024 - 7:00 AM

A. Call to Order / Roll Call

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, January 23, 2024, commencing at 7:00 a.m.

Present: Council Member Hothi, Council Member Nakanishi, Mayor Pro Tempore Bregman, and Mayor Craig

Absent: Council Member Yepez

Also Present: Interim City Manager Keys, City Attorney Lucchesi, and City Clerk Nashed

NOTE: Council Member Yepez arrived at 7:03 a.m.

B. Topics

B.1 Receive Information on the Tourism Business Improvement District and the Transient Occupancy Tax Audit Conducted by Hinderliter de Llamas and Associates (HdL) for the Period Covering January 2019 to September 2022 (FIN)

Interim City Manager Keys provided a brief introduction. Accounting Manager Melissa Munoz and Keri Calloway, of Hinderliter de Llamas and Associates (HdL), provided a PowerPoint presentation regarding the Tourism Business Improvement District and the Transient Occupancy Tax audit conducted by HdL for the period covering January 2019 to September 2022. Specific topics of discussion included the Transient Occupancy Tax (TOT), hotel audit, audit process, findings, summary of City-accepted findings, summary of original findings, City-accepted vs. summary findings - gain/loss, comped rooms, and current payment status.

In response to Mayor Craig, Ms. Calloway and Interim City Manager Keys explained the three-year audit process and the policy regarding short-term rentals, such as Airbnbs.

In response to Mayor Craig, Ms. Calloway, Accounting Manager Munoz, and Interim City Manager Keys provided information regarding comped rooms, including other communities' inclusion as TOT-taxable, profit and loss statement, and the California Tourism Assessment Fee (CTAF).

In response to Mayor Craig, City Attorney Lucchesi and Ms. Calloway provided information regarding the rent definition in the Lodi Municipal Code and the TOT ordinance, and the definition's relation to TOT-taxability for comped rooms.

Interim City Manager Keys acknowledged Nancy Beckman, CEO of the Visit Lodi! Conference and Visitors Bureau, for her assistance in the process and noted the City is in possession of her letter regarding the hoteliers' requests.

Nancy Beckman, CEO of the Visit Lodi! Conference and Visitors Bureau, spoke on behalf of 95 lodging establishments and asked that the taxes from the audit be forgiven and refunded, that the ordinance clarify what is taxable, and that comped rooms are not taxed.

Ryan Ranchhod, hotelier and commercial developer representing Diede Development Companies and American Hospitality Services, asked that the taxes from the audit be forgiven and refunded, that the new ordinance clarify what is taxable, that comped rooms are not taxed, and that the start date for collection should be the second quarter of 2024.

In response to Mayor Craig and Councill Member Hothi, Mr. Ranchhod explained his hotel's policy regarding comped room guest fees and taxes, comped rooms being mainly charitable donations, his experience in other communities, and the future of charitable donations of comped rooms if they are taxed.

JP Doucette, President of the Lodi Chamber of Commerce, spoke in support of the hotel community.

Interim City Manager Keys responded to the comments from the public.

In response to Council Member Hothi, Interim City Manager Keys addressed the historical collection of TOT on comped rooms.

Council Member Hothi spoke in favor of forgiving the past taxes and penalties and not collecting TOT on comped rooms in the future.

Mayor Pro Tempore Bregman concurred with Council Member Hothi.

Mayor Craig spoke regarding her dissatisfaction with the way audits are being handled; collection of the TOT starting in the second quarter; a clarification form being sent to all hoteliers, including Airbnbs; the value comped rooms bring to the City; and a refund for TOT related to comped rooms and CTAF.

Interim City Manager Keys clarified what taxes have been collected and what penalties have been waived.

In response to Council Member Yepez, Interim City Manager Keys and City Attorney Lucchesi clarified the definition of rent in the Lodi Municipal Code and addressed future steps to exclude comped rooms.

Interim City Manager Keys summarized City Council direction as: 1) comped rooms will not be assessed, in the future or retroactively; 2) CTAF will continue to not be taxed; 3) a clarifying document will be created; and 4) the other audit findings will stand and taxes will be collected.

Mayor Craig stated Council direction would include the refund of any TOT paid for comped rooms in the past.

C. Comments by the Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 8:03 a.m.

ATTEST:

Olivia Nashed
City Clerk

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, JANUARY 30, 2024

The January 30, 2024, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

LODI CITY COUNCIL - SHIRTSLEEVE
SHIRTSLEEVE SESSION
CARNEGIE FORUM
305 WEST PINE STREET, LODI
TUESDAY, FEBRUARY 6, 2024 - 7:00 AM

A. Call to Order / Roll Call

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 6, 2024, commencing at 7:02 a.m.

Present: Council Member Nakanishi, Council Member Yepez, and Mayor Pro Tempore Bregman

Absent: Council Member Hothi and Mayor Craig

Also Present: Interim City Manager Keys, City Attorney Lucchesi, and City Clerk Nashed

B. Topics

B.1 Receive Presentation on City of Lodi Traffic Safety (PW)

Interim City Manager Keys provided a brief introduction. Public Works Director Charlie Swimley provided an overview of the presentation. Senior Traffic Engineer Dorothy Kam provided a PowerPoint presentation on City of Lodi traffic safety. Specific topics of discussion included overview, Traffic Division overview, railway and bicycle/pedestrian facilities, study and evaluation (including data collection), typical guidelines the City and other agencies follow, traffic control devices, ongoing traffic control device maintenance, and traffic planning for future growth.

Robby Van Arsdale, a resident of South Central Avenue, spoke regarding the lack of Class I bicycle infrastructure projects.

Lyndsay Davis, a resident of South Central Avenue, spoke regarding the dangerous traffic conditions on South Central Avenue.

Public Works Director Swimley responded to the public comments.

In response to Council Member Nakanishi, Public Works Director Swimley, Interim City Manager Keys, and Senior Traffic Engineer Kam spoke regarding the increase in traffic complaints and the City's response.

In response to Council Member Nakanishi, Public Works Director Swimley spoke regarding funding sources for traffic improvements and clarified the difference in classes of bicycle lanes.

In response to Council Member Yepez, Public Works Director Swimley, Interim City Manager Keys, and Deputy Public Works Director/City Engineer Sean Nathan spoke regarding public availability of traffic data.

In response to Council Member Yepez, Public Works Director Swimley and Police Chief Ricardo Garcia spoke regarding traffic improvements and traffic enforcement on South Central Avenue.

DRAFT

Council Member Nakanishi stated he would support improvements to ease traffic conditions on South Central Avenue.

In response to Council Member Yepez, Interim City Manager Keys and Public Works Director Swimley confirmed that staff could share the traffic data with him and he could observe the data collection.

In response to Mayor Pro Tempore Bregman, Senior Traffic Engineer Kam and Interim City Manager Keys spoke regarding flashing crosswalk sign installations, rankings, and funding.

In response to Mayor Pro Tempore Bregman, Public Works Director Swimley spoke regarding grants for Class I bicycle lanes.

Senior Traffic Engineer Kam spoke regarding the number of crosswalks within the City.

In response to Mayor Pro Tempore Bregman, Interim City Manager Keys provided information regarding grant writing for the City.

C. Comments by the Public on Non-Agenda Items - None

D. Adjournment

No action was taken by the City Council. The meeting was adjourned at 7:46 a.m.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 13, 2024

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 13, 2024, commencing at 7:05 a.m.

A. ROLL CALL

Present: Council Member Hothi, Council Member Nakanishi, Mayor Pro Tempore Bregman, and Mayor Craig

Absent: Council Member Yepez

Also Present: Interim City Manager Keys, City Attorney Lucchesi and City Clerk Nashed

B. TOPIC(S)

B-1 Receive Information Introducing Proposed New Business Registration Program (FIN)

Accounting Manager Melissa Munoz provided a PowerPoint presentation regarding the proposed new Business Registration program. Specific topics of discussion included background information, changes to the program to include bringing the program into conformance with Proposition 218 requirements and correction of minor grammatical and clarity issues, revenue generation goal of old program with license being based on gross receipts, new program to be a single fee for cost recovery of administration of the program, breakdown of the $25 fee, the need for the program, implementation timeline, and previous exemptions.

Interim City Manager Keys provided additional information regarding home occupancy businesses and rental property.

Economic Development Director Luis Aguilar, City Attorney Lucchesi, and Interim City Manager Keys provided clarification in response to Council Member Hothi, Council Member Nakanishi, Mayor Pro Tempore Bregman, and Mayor Craig.

B-2 Receive Community Results from Use of Budget Simulation Balancing Act (FIN)

Budget Manager Lisa Noffsinger provided background information regarding the budget simulation Balancing Act. Budget Analyst Jennelle Baker provided a PowerPoint presentation regarding the results from community participation in the Balancing Act. Specific topics of discussion included timeline; public availability of the budget simulation; public outreach; public feedback for future budgets; participation by Council District, age group, and gender; top public priorities for unfunded and General Fund increases and decreases; comparison of increases and decreases by department; overview of comments by department; and the video provided for the public on the Balancing Act.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

Eric Stubbert, Principal of Lodi Academy, spoke regarding traffic safety on South Central Avenue, including the lack of need for bike lanes for students, the need to keep the turn lane, and Lodi Academy's desire to be involved in the solution of traffic issues.

Interim City Manager Keys provided a recap of traffic mitigation efforts taken by the City on South Central Avenue adjacent to Lodi Academy.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 8:05 a.m.

ATTEST:

Olivia Nashed
City Clerk

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 20, 2024

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 20, 2024, commencing at 7:04 a.m.

A. ROLL CALL

Present: Council Member Nakanishi, Council Member Yepez, Mayor Pro Tempore Bregman, and Mayor Craig

Absent: Council Member Hothi

Also Present: Interim City Manager Keys, City Attorney Lucchesi, and City Clerk Nashed

NOTE: Mayor Pro Tempore Bregman left the meeting at 7:46 a.m.

B. TOPIC(S)

B-1 Study Session with the Community Development Department Concerning Incremental Development Code Amendments, Phase 2 (CD)

Community Development Director John Della Monica provided a brief introduction. Deputy Community Development Director Cynthia Marsh provided a PowerPoint presentation. Specific topics of discussion included overview; consistency with the General Plan and Building Code; changes regarding Additional Dwelling Units (ADU); and new sections for alcohol-related uses, short-term rentals, and food truck parks.

C. COMMENTS BY THE PUBLIC ON NON-AGENDA ITEMS

None.

D. ADJOURNMENT

No action was taken by the City Council. The meeting was adjourned at 7:56 a.m.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, FEBRUARY 27, 2024

An Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was held Tuesday, February 27, 2024, commencing at 7:02 a.m.

A. ROLL CALL

Present: Council Member Hothi, Council Member Nakanishi, Council Member Yepez, Mayor Pro Tempore Bregman, and Mayor Craig

Absent: None

Also Present: Interim City Manager Keys, City Attorney Lucchesi, and City Clerk Nashed

B. TOPIC(S)

B-1 Alley Maintenance Program Update (PW)

Public Works Director Charlie Swimley provided a short introduction. Deputy Public Works Director/City Engineer Sean Nathan provided a PowerPoint regarding the Alley Maintenance Program. Specific topics of discussion included overview, background, alley assessment process, past reconstruction projects, and approach moving forward. Public Works Director Swimley provided additional information, including the use of most available street funding on roadways which receive a higher volume of daily traffic and the limited budget for pot hole repairs.

Discussion ensued among all City Council members, Interim City Manager Keys, Public Works Director Swimley, and Deputy Public Works Director Sean Nathan regarding additional funding opportunities, expected lifespan of reconstructed alleys, alley reconstruction being design heavy initially, inclusion of alley reconstruction in the Hazard Mitigation Plan and Downtown Specific Plan, inclusion of alley maintenance funding in Additional Dwelling Unit (ADU) improvements, and the potential for closure of some Downtown alleys.

C. COMMENTS BY THE 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:

Olivia Nashed
City Clerk

DRAFT

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 5, 2024

The March 5, 2024, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 12, 2024

The March 12, 2024, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 19, 2024

The March 19, 2024, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

CITY OF LODI
INFORMAL INFORMATIONAL MEETING
"SHIRTSLEEVE" SESSION
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, MARCH 26, 2024

The March 26, 2024, Informal Informational Meeting ("Shirtsleeve" Session) of the Lodi City Council was canceled.

ATTEST:

Olivia Nashed
City Clerk

DRAFT

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing the Interim City Manager to Execute Amendment No. 4 with Granicus, LLC, for an Additional Three-Year Term, In an Amount Not to Exceed $189,271.31 (CLK)

MEETING DATE:
May 20, 2026

PREPARED BY:
Olivia Nashed, City Clerk

RECOMMENDED ACTION:
Adopt a resolution authorizing the Interim City Manager to execute Amendment No. 4 with Granicus, LLC, for an additional three-year term, in an amount not to exceed $189,271.31.

BACKGROUND INFORMATION:
Granicus, LLC, provides the software and managed services utilized by the City Clerk's Office for agenda management, video streaming of City Council Meeting, and the management of Lodi boards, commissions, and committees.

On June 18 2015, the City entered into a service agreement with Granicus, Inc., for the Government Transparency Suite to publish agendas and minutes for Council meetings, which are hosted on the Agendas and Minutes page on the City's website and for the Boards and Commissions management module. Resolution No. 2015-140 authorized the City to auto-renew the agreement annually subject to an annual cost not to exceed the sum of $30,000.

On October 9, 2019, Amendment No. 1 was executed to update the City's encoders for streaming of City Council meetings.

On October 12, 2021, Amendment No. 2 was executed through Resolution No. 2021-236, to increase the annual renewal not to exceed amount from $30,000 to $50,000.

On February 28, 2023, Amendment No. 3 was executed through Resolution No. 2022-265, to add agenda management product, Legistar, to existing products and services.

The current renewal to the contract is in effect until May 31, 2026. Due to the addition of the agenda management platform at later date than the existing products, the renewal dates are staggered. Annual fees for the agenda management platform auto-renewal for 2026 were prorated to align with renewal of all other Granicus products renewal date.

Granicus, LLC continues to be an industry leader in providing management programs aimed at supporting municipal clerks across the nation. Therefore, the City Clerk's Office now desires to combine all Granicus products under one contract and extend the term of the contract for three years, for a total amount of

$189,271.31.

Staff recommends that Council authorize the Interim City Manager to execute Amendment No. 4 to the agreement with Granicus, LLC, for a three-year term extension for an amount of $189,271.31.

FISCAL IMPACT:
The fiscal impact of this amendment is $189,271.31 for three years.

FUNDING AVAILABLE:
Funding for the June 2025 renewal was budgeted in FY 25/26 in the following account 10005000.27313 - City Clerk Information System Software. Future years will be budgeted as outlined in the quote attached as Exhibit 2 to the agreement.

AMENDMENT NO. 4
GRANICUS, LLC

AGREEMENT FOR PROFESSIONAL SERVICES

This AMENDMENT NO. 4 TO AGREEMENT FOR PROFESSIONAL SERVICES ("Amendment No. 4"), is made and entered this ___ day of _____, 2026, by and between the CITY OF LODI, a municipal corporation, hereinafter called "CITY", and GRANICUS, LLC, a Minnesota Limited Liability Company qualified to do business in California, hereinafter called "CONTRACTOR".

W I T N E S S E T H :

1. WHEREAS, CONTRACTOR and CITY entered into an Agreement for Professional Services for information technology systems for agenda management and boards and commissions management on June 18, 2015, Amendment No. 1 on October 8, 2019, Amendment No. 2 on October 12, 2021, and Amendment No. 3 on February 28, 2023 (collectively the "Agreement"), attached hereto as Exhibit 1 and made a part hereof; and

2. WHEREAS, CITY now requests to extend the term of the Agreement through May 31, 2029; and

3. WHEREAS, CITY also requests to add funds in an amount not to exceed $189,271.31, attached as Exhibit 2 and incorporated herein; and

4. WHEREAS, CITY and CONTRACTOR agree to said amendments.

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

_____
AARON M. BUSCH
Interim City Manager

ATTEST:

_____
OLIVIA NASHED
City Clerk

APPROVED AS TO FORM:

_____
JOHN M. LUEBBERKE
Interim City Attorney

Granicus, LLC, a Minnesota Limited Liability Company qualified to do business in California

_____
(NAME)
Title_____

EXHIBIT 1
to Amendment No. 4

AMENDMENT NO. 3

Granicus, LLC
Professional Services Agreement

THIS AMENDMENT NO. 3 TO PROFESSIONAL SERVICES AGREEMENT, is made and entered this 28th day of February, 2023, by and between the CITY OF LODI, a municipal corporation, hereinafter called "CITY", and Granicus, LLC, a Minnesota Limited Liability Company, qualified to do business in California, hereinafter called "CONTRACTOR".

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY, entered into a Professional Services Agreement on June 18, 2015, Amendment No. 1 on October 8, 2019, and Amendment No. 2 on October 12, 2021 (collectively the "Agreement") attached hereto and incorporated herein as Exhibits 1, 2, and 3, respectively; and

2. WHEREAS, CITY requests to amend the Agreement to include, within the scope of services, the installation and subscription of electronic agenda management software; and

3. WHEREAS, CITY agrees to enter into this Amendment No. 3 for the installation and subscription of an electronic agenda management software system known as Legistar, in the amount of $31,746, as more particularly described in Exhibit 4, attached hereto and incorporated herein;

4. WHEREAS, CONTRACTOR will maintain insurance, as set forth in Exhibit C, attached to this Amendment No. 3 and made a part hereof; and

5. WHEREAS, CONTRACTOR agrees to said amendments.

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. 3 on the date and year first above written.

CITY OF LODI, a municipal corporation

STEPHEN SCHWABAUER
City Manager

GRANICUS, LLC, a Minnesota Limited Liability Company

DocuSigned by:
Kimberly Rosenberger
6A340288FD5949F...

Kimberly Rosenberger

Contracts Manager

Attest:

Olivia Nashed

OLIVIA NASHED, City Clerk

Approved as to Form:

JANICE D. MAGDICH, City Attorney

AMENDMENT NO. 2

GRANICUS, INC.
Services Agreement

THIS AMENDMENT NO 2 TO AGREEMENT, is made and entered this 12 day of October 2021, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and GRANICUS INC., (hereinafter "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into a Services Agreement ("Agreement") on June 6, 2015, and on October, 8 2019 approved Amendment No. 1, Exhibit 1 and Exhibit 2 respectively, attached hereto;

2. WHEREAS, CITY requests to amend said Agreement to extend the term Agreement for one-year continuing Granicus Solution and Board and Commission Software support for an annual fee of $33,430; subject to the annual cost not exceeding the sum of $50,000; and

3. WHEREAS, CITY COUNCIL authorizes the City Manager to approve annual extensions of Agreement with Granicus Inc., with an annual increase not to exceed five percent of the previous annual fee subject to an annual cost not to exceed the sum of $50,000; and

4. 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 $33,430 for one-year with auto-renewal of service and no more than 5% increase annually, not to exceed an annual sum of $50,000 for licensing and support of Granicus Solutions and Board and Commission software. 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

STEPHEN SCHWABAUER
City Manager

GRANICUS, INC.

NAME: Jessica Yang
Title: Manager, Renewals

Attest:

JENNIFER QUSMIR
City Clerk

Approved as to Form

JANICE MAGDICH
City Attorney

GRANICUS

408 Saint Peter Street, Suite 600
Saint Paul, MN 55102
United States

THIS IS NOT AN INVOICE

Order Form
Prepared for
Lodi, CA

Granicus Proposal for Lodi, CA

ORDER DETAILS

Prepared By:	Chloe Scheer
Phone:	
Email:	chloe.scheer@granicus.com
Order #:	Q-213559
Prepared On:	08/15/2022
Expires On:	09/09/2022

ORDER TERMS

Currency:	USD
Payment Terms:	Net 30 (Payments for subscriptions are due at the beginning of the period of performance.)
Period of Performance:	The term of the Agreement will commence on the date this document is signed and will continue for 36 months.

It is the responsibility of the reseller or distributor to provide the End User with the Granicus Order Form and any attached terms and conditions. **Any pricing contained herein is the amount due to Granicus and must be removed prior to submission to the End User.** This quote is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice.

RESELLER IS NOT PERMITTED TO ENTER INTO AN AGREEMENT WITH AN END USER FOR GRANICUS PRODUCTS OR SERVICES ABSENT LEGALLY BINDING TERMS SUBSTANTIALLY SIMILAR TO THOSE SET FORTH IN THE GRANICUS MASTER SUBSCRIPTION AGREEMENT FOUND AT: www.granicus.com/Master_Subscription_Agreement (Attached)

GRANICUS

Order Form
Lodi, CA

PRICING SUMMARY

The pricing and terms within this Proposal are specific to the products and volumes contained within this Proposal.

One-Time Fees			
Solution	**Billing Frequency**	**Quantity/Unit**	**One-Time Fee**
Legistar - Setup & Configuration	Upon Delivery	1 Each	$13,500.00
Legistar - Onsite Training	Upon Delivery	3 Days	$7,500.00
Legistar Administration Group Training	Upon Delivery	2 Hours	$450.00
Open Platform - Setup and Configuration	Up Front	1 Hours	$0.00
Send Agenda (Legistar) Set up and Config	Up Front	1 Each	$0.00
govDelivery for Integrations Set Up and Config	Up Front	1 Each	$0.00
		SUBTOTAL:	**$21,450.00**

New Subscription Fees			
Solution	**Billing Frequency**	**Quantity/Unit**	**Annual Fee**
Legistar	Annual	1 Each	$10,296.00
Open Platform Suite	Annual	1 Each	$0.00
Send Agenda (Legistar)	Annual	1 Each	$0.00
govDelivery for Integrations	Annual	1 Each	$0.00
		SUBTOTAL:	**$10,296.00**

GRANICUS

Order Form
Lodi, CA

FUTURE YEAR PRICING

Solution(s)	Period of Performance	
	Year 2	Year 3
Legistar	$11,016.72	$11,787.89
Open Platform Suite	$0.00	$0.00
Send Agenda (Legistar)	$0.00	$0.00
govDelivery for Integrations	$0.00	$0.00
SUBTOTAL:	**$11,016.72**	**$11,787.89**

PRODUCT DESCRIPTIONS

Solution	Description
Legistar	Legistar is a Software-as-a-Service (SaaS) solution that enables government organizations to automate the entire legislative process of the clerk's office. Clerks can leverage Legistar to easily manage the entire legislative process from drafting files, through assignment to various departments, to final approval. Legistar includes: • Unlimited user accounts • Unlimited meeting bodies and meeting types • Unlimited data storage and retention • Up to one (1) Legistar database • Up to one (1) InSite web portal
Open Platform Suite	Open Platform is access to MediaManager, upload of archives, ability to post agendas/documents, and index of archives. These are able to be published and accessible through a searchable viewpage.
Send Agenda (Legistar)	Send Agenda is dependent on an active subscription to the relevant govMeetings agenda.
Legistar - Setup & Configuration	Setup and Configuration for Legistar includes: • Access to an Implementation consultant until project acceptance • Access to existing Web-based recorded trainings around standard account functions and capabilities • Up to five (5) two-hour needs analysis calls with a business analyst • Up to one (1) Standard Agenda and Minutes report template • Configuration of up to one (1) meeting body or type
Legistar - Onsite Training	Legistar - Onsite Training is for onsite training for Legistar, which allows clients to have a Granicus trainer onsite to show them how to use the system. Onsite Training includes travel, meals and lodging expenses.
Legistar Administration Group Training	Legistar Admin - Online Training is for online training for Legistar Administration, which allows clients to have online sessions with a Granicus trainer to learn how to use the system.

Solution	Description
Open Platform - Setup and Configuration	Setup and configuration for Open Platform
govDelivery for Integrations	Send notification bulletins directly to constituents who subscribe to receive updates directly through Granicus (powered by govDelivery). Receive a monthly metrics report delivered via email to show subscriber growth and engagement activity for the past month of bulletin sends, and grow subscribers through access to the Granicus Advanced Network. Note: govDelivery Integrations is dependent on an active subscription to the relevant govMeetings agenda or govAccess CMS solutions.

GRANICUS ADVANCED NETWORK AND SUBSCRIBER INFORMATION

- **Granicus Communications Suite Subscriber Information.**
  - Data provided by the Client and contact information gathered through the Client's own web properties or activities will remain the property of the Client ('Direct Subscriber'), including any and all personally identifiable information (PII). Granicus will not release the data without the express written permission of the Client, unless required by law.
  - Granicus shall: (i) not disclose the Client's data except to any third parties as necessary to operate the Granicus Products and Services (provided that the Client hereby grants to Granicus a perpetual, non-cancelable, worldwide, non-exclusive license to utilize any data, on an anonymous or aggregate basis only, that arises from the use of the Granicus Products by the Client, whether disclosed on, subsequent to, or prior to the Effective Date, to improve the functionality of the Granicus Products and any other legitimate business purpose, including the right to sublicense such data to third parties, subject to all legal restrictions regarding the use and disclosure of such information).
- **Data obtained through the Granicus Advanced Network.**
  - Granicus offers a SaaS product, known as the Communications Cloud, that offers Direct Subscribers recommendations to subscribe to other Granicus Client's digital communication (the 'Advanced Network'). When a Direct Subscriber signs up through one of the recommendations of the Advanced Network, that subscriber is a 'Network Subscriber' to the agency it subscribed to through the Advanced Network.
  - Network Subscribers are available for use while the Client is under an active subscription with Granicus. Network Subscribers will not transfer to the Client upon termination of any Granicus Order, SOW, or Exhibit. The Client shall not use or transfer any of the Network Subscribers after termination of its Order, SOW, or Exhibit placed under this agreement. All information related to Network Subscribers must be destroyed by the Client within 15 calendar days of the Order, SOW, or Exhibit placed under this agreement terminating.
  - Opt-in. During the last 10 calendar days of the Client's subscription, the Client may send an opt-in email to Network Subscribers that shall include an explanation of the Client's relationship with Granicus terminating and that the Network Subscribers may visit the Client's website to subscribe to further updates from the Client in the future. Any Network Subscriber that does not opt-in will not be transferred with the subscriber list provided to the Client upon termination.

UPDATES TO SHARED SHORT CODES FOR SMS/TEXT MESSAGING (US CLIENTS ONLY):

- Granicus will be migrating all clients with SMS/Text Messaging Solutions using a shared short code option to a unique standard toll-free number within the United States (International numbers not supported). Short Codes are recommended for Text-to-Subscribe functionalities, if enabled where available, for an additional fee.
- Client must have explicit opt-in for all destinations sent to and adhere to all CTIA guidelines for the duration of its use.

GRANICUS

TERMS & CONDITIONS

- Link to Terms: https://granicus.com/legal/licensing
- The attached End User Licensing Agreement must be signed and returned with all necessary order documents.
- This quote is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is the responsibility of Lodi, CA to provide applicable exemption certificate(s).
- If submitting a Purchase Order, please include the following language: The pricing, terms and conditions of quote Q-213559 dated 08-15-2022 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.
- Any lapse in payment may result in suspension of service and will require the payment of a setup fee to reinstate the subscription.
- Notwithstanding anything to the contrary, Granicus reserves the right to adjust pricing at any renewal in which the volume has changed from the prior term without regard to the prior term's per-unit pricing.

GRANICUS

Order Form
Lodi, CA

BILLING INFORMATION

Billing Contact:

Billing Address:

Billing Email:

Purchase Order Required? [ ] - No [ ] - Yes

PO Number:
If PO required

Billing Phone:

If submitting a Purchase Order, please include the following language:
The pricing, terms, and conditions of quote Q-213559 dated 08/15/2022 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.

AGREEMENT AND ACCEPTANCE

By signing this document, the undersigned certifies they have authority to enter the agreement. The undersigned also understands the services and terms.

Lodi, CA

Signature:

Name:

Title:

Date:

GRANICUS

Master Subscription Agreement

This Master Subscription Agreement (**"Agreement)** is made by and between the party procuring Granicus Products and Services (**"Client"**) and Granicus, LLC, a Minnesota Limited Liability Company d/b/a Granicus (**"Granicus"**). Client and Granicus may each be referred to herein as "Party" or collectively as "Parties".

By accessing the Granicus Products and Services, Client accepts this Agreement. Due to the rapidly changing nature of digital communications, this Agreement may be updated from time to time at Granicus' sole discretion. Notification to Client will be via email or posting to the Granicus website.

1. **Definitions.** In addition to terms defined elsewhere in this Agreement, the following terms shall have the meaning specified:

   "Agreement Term" means the total time covered by the Initial Term and all Extension Terms for each Order or SOW under this Agreement, further specified in Section 7.1.
   "Extension Term" means any term that increases the length of the Initial Term of this Agreement or an Order Term of an Order or SOW.
   "Granicus Products and Services" means the products and services made available to Client pursuant to this Agreement, which may include Granicus products and services accessible for use by Client on a subscription basis ("Software-as-a-Service" or "SaaS"), Granicus professional services, content from any professional services or other required equipment components or other required hardware, as specified in each Order or SOW.
   "Initial Term" shall have the meaning specified in Exhibit A or Order or SOW between Granicus and Client for the first duration of performance that Client has access to Granicus Products and Services.
   "Order" means a written order, proposal, or purchase document in which Granicus agrees to provide and Client agrees to purchase specific Granicus Products and Services.
   "Order Term" means the then-current duration of performance identified on each Order or SOW, for which Granicus has committed to provide, and Client has committed to pay for, Granicus Products and Services.
   "Statement of Work" or **"SOW"** means a written order, proposal, or purchase document that is signed by both Parties and describes the Granicus Products and Services to be provided and/or performed by Granicus. Each Order or SOW shall describe the Parties' performance obligations and any assumptions or contingencies associated with the implementations of the Granicus Products and Services, as specified in each Order or SOW placed hereunder.
   "Support" means the ongoing support and maintenance services performed by Granicus related to the Granicus Products and Services as specified in each Order or SOW placed between the Parties.

2. **Ordering and Scope**
   2.1. **Ordering Granicus Products and Services.** The Parties may execute one or more Order or SOW related to the sale and purchase of Granicus Products and Services. Each Order or SOW will generally include an itemized list of the Granicus Products and Services as well as the Order Term for such Granicus Products and Services. Each Order or SOW must, generally, be signed by the Parties; although, when a validly-issued purchase order by Client accompanies the Order or SOW, then the Order or SOW need not be executed by the Parties. Each Order or SOW shall be governed by this Agreement regardless of any pre-printed legal terms on each Order or SOW, and by this reference is incorporated herein.

2.2. Support. Basic support related to standard Granicus Products and Services is included within the fees paid during the Order Term. Granicus may update its Support obligations under this Agreement, so long as the functionality purchased by Client is not materially diminished.

2.3. Future Functionality. Client acknowledges that any purchase hereunder is not contingent on the delivery of any future functionality or features.

2.4. Cooperative Purchasing. To the extent permitted by law and approved by Client, the terms of this Agreement and set forth in one or more Order or SOW may be extended for use by other municipalities, school districts and governmental agencies upon execution of an addendum or other duly signed writing setting forth all of the terms and conditions for such use. The applicable fees for additional municipalities, school districts or governmental agencies will be provided by Granicus to Client and the applicable additional party upon written request.

3. Use of Granicus Products and Services and Proprietary Rights

3.1. Granicus Products and Services. The Granicus Products and Services are purchased by Client as subscriptions during an Order Term specified in each Order or SOW. Additional Granicus Products and Services may be added during an Order Term as described in Section 2.1.

3.2. Permitted Use. Subject to the terms and conditions of this Agreement, Granicus hereby grants during each Order Term, and Client hereby accepts, solely for its internal use, a worldwide, revocable, non-exclusive, non-transferrable right to use the Granicus Products and Services to the extent allowed in the relevant Order or SOW (collectively the "Permitted Use").

3.2.1. Data Sources. Data uploaded into Granicus Products and Services must be brought in from Client sources (interactions with end users and opt-in contact lists). Client cannot upload purchased contact information into Granicus Products and Services without Granicus' written permission and professional services support for list cleansing. Granicus certifies that it will not sell, retain, use, or disclose any personal information provided by Client for any purpose other than the specific purpose of performing the Services outlined within this Agreement.

3.2.2. Passwords. Passwords are not transferable to any third party. Client is responsible for keeping all passwords secure and all use of the Granicus Products and Services accessed through Client's passwords.

3.2.3. Content. Client can only use Granicus Products and Services to share content that is created by and owned by Client and/or content for related organizations provided that it is in support of other organizations but not as a primary communication vehicle for other organizations that do not have a Granicus subscription. Any content deemed inappropriate for a public audience or in support of programs or topics that are unrelated to Client, can be removed or limited by Granicus.

3.2.3.1. Disclaimers. Any text, data, graphics, or any other material displayed or published on Client's website must be free from violation of or infringement of copyright, trademark, service mark, patent, trade secret, statutory, common law or proprietary or intellectual property rights of others. Granicus is not responsible for content migrated by Client or any third party.

3.2.4. Advertising. Granicus Products and Services shall not be used to promote products or services available for sale through Client or any third party unless approved in writing, in advance, by Granicus. Granicus reserves the right to request and review the details of any agreement between Client and a third party that compensates Client for the right to have information included in Content distributed or made available through Granicus Products and Services prior to approving the presence of Advertising within Granicus Products and Services.

3.2.5. Granicus Subscriber Information for Communications Cloud Suite only

3.2.5.1. Data Provided by Client. Data provided by Client and contact information gathered through Client's own web properties or activities will remain the property of Client ("Direct Subscriber"), including any and all personally identifiable information (PII). Granicus will not release the data without the express written permission of Client, unless required by law.

3.2.5.2. Granicus shall not disclose the client's data except to any third parties as necessary to operate the Granicus Products and Services (provided that the client hereby grants to Granicus a perpetual, noncancelable, worldwide, non-exclusive license to utilize any data, on an anonymous or aggregate basis only, that arises from the use of the Granicus Products and Services by the client, whether disclosed on, subsequent to, or prior to the Effective Date, to improve the functionality of the Granicus Products and Services and any other legitimate business purpose including the right to sublicense such data to third parties, subject to all legal restrictions regarding the use and disclosure of such information).

3.2.5.3. Data Obtained through the Granicus Advanced Network

3.2.5.3.1. Granicus offers a SaaS product, known as the Communications Cloud, that offers Direct Subscribers recommendations to subscribe to other Granicus Client's digital communication (the "Advanced Network"). When a Direct Subscriber signs up through one of the recommendations of the Advanced Network, that subscriber is a "Network Subscriber" to the agency it subscribed to through the Advanced Network.

3.2.5.3.2. Access to the Advanced Network is a benefit of the GovDelivery Communications Cloud subscription with Granicus. Network Subscribers are available for use only on the GovDelivery Communications Cloud while Client is under an active GovDelivery Communications Cloud subscription. Network Subscribers will not transfer to Client upon termination of any Granicus Order, SOW or Exhibit. Client shall not use or transfer any of the Network Subscribers after termination of its Order, SOW or Exhibit placed under this Agreement. All information related to Network Subscribers must be destroyed by Client within 15 calendar days of the Order, SOW or Exhibit placed under this Agreement terminating.

3.2.5.3.3. Opt-In. During the last 10 calendar days of Client's Order Term for the terminating Order, SOW or Exhibit placed under this Agreement, Client may send an opt-in email to Network Subscribers that shall include an explanation of Client's relationship with Granicus terminating and that the Network Subscribers may visit Client's website to subscribe to further updates from Client in the future. Any Network Subscriber that does not opt-in will not be transferred with the subscriber list provided to Client upon termination.

3.3. Restrictions. Client shall not:

3.3.1. Misuse any Granicus resources or cause any disruption, including but not limited to, the display of pornography or linking to pornographic material, advertisements, solicitations, or mass mailings to individuals who have not agreed to be contacted;

3.3.2. Use any process, program, or tool for gaining unauthorized access to the systems, networks, or accounts of other parties, including but not limited to, other Granicus Clients;

3.3.3. Client must not use the Granicus Products and Services in a manner in which system or network resources are unreasonably denied to other Granicus clients;

3.3.4. Client must not use the Services as a door or signpost to another server.

3.3.5. Access or use any portion of Granicus Products and Services, except as expressly allowed by this Agreement or each Order or SOW placed hereunder;

3.3.6. Disassemble, decompile, or otherwise reverse engineer all or any portion of the Granicus Products and Services;

3.3.7. Use the Granicus Products and Services for any unlawful purposes;

3.3.8. Export or allow access to the Granicus Products and Services in violation of U.S. laws or regulations;

3.3.9. Except as expressly permitted in this Agreement, subcontract, disclose, rent, or lease the Granicus Products and Services, or any portion thereof, for third party use; or

3.3.10. Modify, adapt, or use the Granicus Products and Services to develop any software application intended for resale which uses the Granicus Products and Services in whole or in part.

3.4. Client Feedback. Client assigns to Granicus any suggestion, enhancement, request, recommendation, correction or other feedback provided by Client relating to the use of the Granicus Products and Services. Granicus may use such submissions as it deems appropriate in its sole discretion.

3.5. Reservation of Rights. Subject to the limited rights expressly granted hereunder, Granicus and/or its licensors reserve all right, title and interest in the Granicus Products and Services, the documentation and resulting product including all related intellectual property rights. Further, no implied licenses are granted to Client. The Granicus name, the Granicus logo, and the product names associated with the services are trademarks of Granicus or its suppliers, and no right or license is granted to use them.

4. Payment

4.1. Fees. Client agrees to pay all fees, costs and other amounts as specified in each Order or SOW. Annual fees are due upfront according to the billing frequency specified in each Order or SOW. Granicus reserves the right to suspend any Granicus Products and Services should there be a lapse in payment. A lapse in the term of each Order or SOW will require the payment of a setup fee to reinstate the subscription. All fees are exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is Client's responsibility to provide applicable exemption certificate(s).

4.2. Disputed Invoiced Amounts. Client shall provide Granicus with detailed written notice of any amount(s) Client reasonably disputes within thirty (30) days of the date of invoice for said amount(s) at issue. Granicus will not exercise its rights under 4.1 above if Client has, in good faith, disputed an invoice and is diligently trying to resolve the dispute. Client's failure to provide Granicus with notice of any disputed invoiced amount(s) shall be deemed to be Client's acceptance of the content of such invoice.

4.3. Price Increases. Any price increases not negotiated in advance shall be provided by Granicus to Client at least thirty (30) days prior to the end of the Order Term. Upon each yearly anniversary during the term of this Agreement (including the Initial Term, all Extended Terms, and all Order Terms), the Granicus Product and Services fees shall increase from the previous term's fees by up to ten (10) percent per year.

5. **Representations, Warranties and Disclaimers**
   - **5.1. Representations.** Each Party represents that it has validly entered into this Agreement and has the legal power to do so.
   - **5.2. Warranties.** Granicus warrants that it takes all precautions that are standard in the industry to increase the likelihood of a successful performance for the Granicus Products and Services; however, the Granicus Products and Services are provided "AS IS" and as available.
   - **5.3. Disclaimers.** EXCEPT AS PROVIDED IN SECTION 5.2 ABOVE, EACH PARTY HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES OF ANY NATURE WHATSOEVER WHETHER ORAL AND WRITTEN, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT, AND FITNESS FOR A PARTICULAR PURPOSE. GRANICUS DOES NOT WARRANT THAT GRANICUS PRODUCTS AND SERVICES WILL MEET CLIENT'S REQUIREMENTS OR THAT THE OPERATION THEREOF WILL BE UNINTERRUPTED OR ERROR FREE.

6. **Confidential Information**
   - **6.1. Confidential Information.** It is expected that one Party (Disclosing Party) may disclose to the other Party (Receiving Party) certain information which may be considered confidential and/or trade secret information ("Confidential Information"). Confidential Information shall include: (i) Granicus' Products and Services, (ii) non-public information if it is clearly and conspicuously marked as "confidential" or with a similar designation at the time of disclosure; (iii) non-public information of the Disclosing Party if it is identified as confidential and/or proprietary before, during, or promptly after presentation or communication and (iv) any information that should be reasonably understood to be confidential or proprietary to the Receiving Party, given the nature of the information and the context in which disclosed.

     Subject to applicable law, each Receiving Party agrees to receive and hold any Confidential Information in strict confidence. Without limiting the scope of the foregoing, each Receiving Party also agrees: (a) to protect and safeguard the Confidential Information against unauthorized use, publication or disclosure; (b) not to reveal, report, publish, disclose, transfer, copy or otherwise use any Confidential Information except as specifically authorized by the Disclosing Party; (c) not to use any Confidential Information for any purpose other than as stated above; (d) to restrict access to Confidential Information to those of its advisors, officers, directors, employees, agents, consultants, contractors and lobbyists who have a need to know, who have been advised of the confidential nature thereof, and who are under express written obligations of confidentiality or under obligations of confidentiality imposed by law or rule; and (e) to exercise at least the same standard of care and security to protect the confidentiality of the Confidential Information received by it as it protects its own confidential information.
     If a Receiving Party is requested or required in a judicial, administrative, or governmental proceeding to disclose any Confidential Information, it will notify the Disclosing Party as promptly as practicable so that the Disclosing Party may seek an appropriate protective order or waiver for that instance.
   - **6.2. Exceptions.** Confidential Information shall not include information which: (i) is or becomes public knowledge through no fault of the Receiving Party; (ii) was in the Receiving Party's possession before receipt from the Disclosing Party; (iii) is rightfully received by the Receiving party from a third party without any duty of confidentiality; (iv) is disclosed by the Disclosing Party without any duty of confidentiality on the third party; (v) is independently developed by the Receiving Party without use or reference to the Disclosing Party's Confidential Information; or (vi) is disclosed with the prior written approval of the Disclosing Party.

6.3. Storage and Sending. In the event that Granicus Products and Services will be used to store and/or send Confidential Information, Granicus must be notified in writing, in advance of the storage or sending. Should Client provide such notice, Client must ensure that Confidential Information or sensitive information is stored behind a secure interface and that Granicus Products and Services be used only to notify people of updates to the information that can be accessed after authentication against a secure interface managed by Client.

6.4. Return of Confidential Information. Each Receiving Party shall return or destroy the Confidential Information immediately upon written request by the Disclosing Party; provided, however, that each Receiving Party may retain one copy of the Confidential Information in order to comply with applicable laws and the terms of this Agreement. Customer understands and agrees that it may not always be possible to completely remove or delete all personal data from Granicus' databases without some residual data because of backups and for other reasons.

7. Term and Termination

7.1. Agreement Term. The Agreement Term shall begin on the date of the initial Order or SOW and continue through the latest date of the Order Term of each Order or SOW under this Agreement, unless otherwise terminated as provided in this Section 7. Each Order or SOW will specify an Order Term for the Granicus Products and Services provided under the respective Order or SOW. Client's right to access or use the Granicus Products and Services will cease at the end of the Order Term identified within each Order or SOW, unless either extended or earlier terminated as provided in this Section 7. Unless a Party has given written notice to the other Party at least ninety (90) days prior to the end of the then-current Order Term, the Granicus Products and Services will automatically renew at the end of each term for an Extension Term of one (1) year.

7.2. Effect of Termination. If the Parties agree to terminate this Agreement and an Order or SOW is still in effect at the time of termination, then the terms and conditions contained in this Agreement shall continue to govern the outstanding Order or SOW until termination or expiration thereof. If the Agreement is terminated for breach, then unless otherwise agreed to in writing, all outstanding Orders or SOWs shall immediately terminate as of the Agreement termination date. Unless otherwise stated in this Agreement, in no event shall Client be entitled to a refund of any prepaid fees upon termination.

7.3. Termination for Cause. The non-breaching Party may terminate this Agreement upon written notice if the other Party is in material breach of this Agreement and fails to cure such breach within thirty (30) days after the non-breaching Party provides written notice of the breach. A Party may also terminate this Agreement immediately upon notice if the other Party: (a) is liquidated, dissolved, or adjudged to be in a state of bankruptcy or receivership; (b) is insolvent, unable to pay its debts as they become due, makes an assignment for the benefit of creditors or takes advantage of any law for the benefit of debtors; or (c) ceases to conduct business for any reason on an ongoing basis leaving no successor in interest. Granicus may, without liability, immediately suspend or terminate any or all Order or SOW issued hereunder if any Fees owed under this Agreement are past due pursuant to Section 4.1.

7.4. Rights and Obligations After Termination. In the event of expiration or termination of this Agreement, Client shall immediately pay to Granicus all Fees due to Granicus through the date of expiration or termination.

7.5. Survival. All rights granted hereunder shall terminate upon the latter of the termination or expiration date of this Agreement, or each Order or SOW. The provisions of this Agreement with respect to warranties, liability, choice of law and jurisdiction, and confidentiality shall survive termination of this Agreement and continue in full force and effect.

8. **Limitation of Liability**

8.1. **EXCLUSION OF CONSEQUENTIAL AND RELATED DAMAGES.** UNDER NO CIRCUMSTANCES SHALL GRANICUS BE LIABLE FOR ANY SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES, WHETHER AN ACTION IS IN CONTRACT OR TORT AND REGARDLESS OF THE THEORY OF LIABILITY, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. FURTHER, GRANICUS SHALL NOT BE LIABLE FOR: (A) ERROR OR INTERRUPTION OF USE OR FOR LOSS OR INACCURACY OR CORRUPTION OF CLIENT DATA; (B) COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY; (C) LOSS OF BUSINESS; (D) DAMAGES ARISING OUT OF ACCESS TO OR INABILITY TO ACCESS THE SERVICES, SOFTWARE, CONTENT, OR RELATED TECHNICAL SUPPORT; OR (E) FOR ANY MATTER BEYOND GRANICUS' REASONABLE CONTROL, EVEN IF GRANICUS HAS BEEN ADVISED OF THE POSSIBILITY OF ANY OF THE FOREGOING LOSSES OR DAMAGES.

8.2. **LIMITATION OF LIABILITY.** EXCEPT FOR CLIENT'S BREACH OF SECTION 3.3, IN NO INSTANCE SHALL EITHER PARTY'S LIABILITY TO THE OTHER PARTY FOR DIRECT DAMAGES UNDER THIS AGREEMENT (WHETHER IN CONTRACT OR TORT OR OTHERWISE) EXCEED THE FEES PAID BY CLIENT FOR THE GRANICUS PRODUCTS AND SERVICES DURING THE SIX (6) MONTHS IMMEDIATELY PRECEDING THE DATE THE DAMAGED PARTY NOTIFIES THE OTHER PARTY IN WRITING OF THE CLAIM FOR DIRECT DAMAGES. GRANICUS SHALL NOT BE RESPONSIBLE FOR ANY LOST PROFITS OR OTHER DAMAGES, INCLUDING DIRECT, INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL OR ANY OTHER DAMAGES, HOWEVER CAUSED. NEITHER PARTY MAY INSTITUTE AN ACTION IN ANY FORM ARISING OUT OF NOR IN CONNECTION WITH THIS AGREEMENT MORE THAN TWO (2) YEARS AFTER THE CAUSE OF ACTION HAS ARISEN. THE ABOVE LIMITATIONS WILL NOT LIMIT CLIENT'S PAYMENT OBLIGATIONS UNDER SECTION 4 ABOVE.

9. **Indemnification**

9.1. **Indemnification by Granicus.** Granicus will defend Client from and against all losses, liabilities, damages and expenses arising from any claim or suit by a third party unaffiliated with either Party to this Agreement ("Claims") and shall pay all losses, damages, liabilities, settlements, judgments, awards, interest, civil penalties, and reasonable expenses (collectively, "Losses," and including reasonable attorneys' fees and court costs), to the extent arising out of any Claims by any third party that Granicus Products and Services infringe a valid U.S. copyright or U.S. patent issued as of the date of the applicable Order or SOW. In the event of such a Claim, if Granicus determines that an affected Order or SOW is likely, or if the solution is determined in a final, non-appealable judgment by a court of competent jurisdiction, to infringe a valid U.S. copyright or U.S. patent issued as of the date of the applicable Order or SOW, Granicus will, in its discretion: (a) replace the affected Granicus Products and Services; (b) modify the affected Granicus Products and Services to render it non-infringing; or (c) terminate this Agreement or the applicable Order or SOW with respect to the affected solution and refund to Client any prepaid fees for the then-remaining or unexpired portion of the Order or SOW term. Notwithstanding the foregoing, Granicus shall have no obligation to indemnify, defend, or hold Client harmless from any Claim to the extent it is based upon: (i) a modification to any solution by Client (or by anyone under Client's direction or control or using logins or passwords assigned to Client); (ii) a modification made by Granicus pursuant to Client's required instructions or specifications or in reliance on materials or information provided by Client; or (iii) Client's use (or use by anyone under Client's direction or control or using logins or passwords assigned to Client) of any Granicus Products and Services other than in accordance with this Agreement. This section 9.1 sets forth Client's sole and exclusive remedy, and Granicus' entire liability, for any Claim that the Granicus

Products and Services or any other materials provided by Granicus violate or infringe upon the rights of any third party.

9.2. **Indemnification by Client.** Client shall defend, indemnify, and hold Granicus harmless from and against any Claims, and shall pay all Losses, to the extent arising out of or related to (a) Client's (or that of anyone authorized by Client or using logins or passwords assigned to Client) use or modification of any Granicus Products and Services; (b) any Client content; or (c) Client's violation of applicable law.

9.3. **Defense.** With regard to any Claim subject to indemnification pursuant to this Section 9: (a) the Party seeking indemnification shall promptly notify the indemnifying Party upon becoming aware of the Claim; (b) the indemnifying Party shall promptly assume sole defense and control of such Claim upon becoming aware thereof; and (c) the indemnified Party shall reasonably cooperate with the indemnifying Party regarding such Claim. Nevertheless, the indemnified Party may reasonably participate in such defense, at its expense, with counsel of its choice, but shall not settle any such Claim without the indemnifying Party's prior written consent. The indemnifying Party shall not settle or compromise any Claim in any manner that imposes any obligations upon the indemnified Party without the prior written consent of the indemnified Party.

10. **General**

10.1. **Relationship of the Parties.** Granicus and Client acknowledge that they operate independent of each other. Nothing in this Agreement shall be deemed or construed to create a joint venture, partnership, agency, or employee/employer relationship between the Parties for any purpose, including, but not limited to, taxes or employee benefits. Each Party will be solely responsible for the payment of all taxes and insurance for its employees and business operations.

10.2. **Headings.** The various section headings of this Agreement are inserted only for convenience of reference and are not intended, nor shall they be construed to modify, define, limit, or expand the intent of the Parties.

10.3. **Amendments.** This Agreement may not be amended or modified except by a written instrument signed by authorized representatives of both Parties.

10.4. **Severability.** To the extent permitted by applicable law, the Parties hereby waive any provision of law that would render any clause of this Agreement invalid or otherwise unenforceable in any respect. In the event that a provision of this Agreement is held to be invalid or otherwise unenforceable, such provision will be interpreted to fulfill its intended purpose to the maximum extent permitted by applicable law, and the remaining provisions of this Agreement will continue in full force and effect.

10.5. **Assignment.** Neither Party may assign, delegate, or otherwise transfer this Agreement or any of its rights or obligations hereunder, either voluntarily or by operation of law, without the prior written consent of the other Party (such consent not to be unreasonably withheld); provided, however, that either Party may assign this Agreement without the other Party's consent in the event of any successor or assign that has acquired all, or substantially all, of the assigning Party's business by means of merger, stock purchase, asset purchase, or otherwise. Any assignment or attempted assignment in violation of this Agreement shall be null and void.

10.6. **No Third-Party Beneficiaries.** Subject to Section 10.5 this Agreement is binding upon, and insures solely to the benefit of the Parties hereto and their respective permitted successors and assigns; there are no third-party beneficiaries to this Agreement.

10.7. **Notice.** Other than routine administrative communications, which may be exchanged by the Parties via email or other means, all notices, consents, and approvals hereunder shall be in writing and shall be deemed to have been given upon: (a) personal delivery; (b) the day of receipt, as shown in the applicable carrier's systems, if sent via FedEx, UPS, DHL, or other

nationally recognized express carrier; (c) the third business day after sending by U.S. Postal Service, First Class, postage prepaid, return receipt requested; or (d) sending by email, with confirmed receipt from the receiving party. Either Party may provide the other with notice of a change in mailing or email address in which case the mailing or email address, as applicable, for that Party will be deemed to have been amended.

10.8. Force Majeure. Any delay in the performance by either Party hereto of its obligations hereunder shall be excused when such delay in performance is due to any cause or event of any nature whatsoever beyond the reasonable control of such Party, including, without limitation, any act of God; any fire, flood, or weather condition; any computer virus, worm, denial of service attack; any earthquake; any act of a public enemy, war, insurrection, riot, explosion or strike; provided, that written notice thereof must be given by such Party to the other Party within twenty (20) days after occurrence of such cause or event.

10.9. Choice of Law and Jurisdiction. This Agreement shall be governed by and interpreted under the laws of the State of Minnesota, without reference to the State's principles of conflicts of law. The Parties expressly consent and submit to the exclusive jurisdiction of the state and federal courts of Ramsey County, Minnesota.

10.10. Entire Agreement. This Agreement, together with all Orders or SOWs referenced herein, sets forth the entire understanding of the Parties with respect to the subject matter of this Agreement, and supersedes any and all prior oral and written understandings, quotations, communications, and agreements. Granicus and Client agree that any and all Orders or SOWs are incorporated herein by this reference. In the event of possible conflict or inconsistency between such documents, the conflict or inconsistency shall be resolved by giving precedence in the following order: (1) the terms of this Agreement; (2) Orders; (3) all other SOWs or other purchase documents; (4) Granicus response to Client's request for RFI, RFP, RFQ; and (5) Client's RFI, RFP, RFQ. If Client issues a purchase order, Granicus hereby rejects any additional or conflicting terms appearing on the purchase order or any other ordering materials submitted by Client. Upon request, Granicus shall reference a purchase order number on its invoices, provided, however, that Client acknowledges that it is Client's responsibility to provide the corresponding purchase order information (including a purchase order number) to Granicus upon the creation of such a purchase order. Client agrees that a failure to provide Granicus with the corresponding purchase order shall not relieve Client of its obligations to provide payment to Granicus pursuant to Section 4.1 above.

10.11. Reference. Notwithstanding any other terms to the contrary contained herein, Client grants Granicus the right to use Client's name and logo in Client lists and marketing materials.

10.12. Injunctive Relief. Granicus is entitled to obtain injunctive relief if Client's use of Granicus Products and Services is in violation of any restrictions set forth in this Agreement.

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 IT Vendor Services (Granicus)

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, or an equivalent form, 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 an equivalent form) or the general aggregate limit shall be twice the required occurrence limit.

2. **Cyber Liability Insurance**: limits not less than $2,000,000 per occurrence or claim. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations.

Other Insurance Provisions:

(a) Additional 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, or written into the coverage form of 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 other than cyber related claims, 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 other than cyber coverage..

(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 Contractor shall provide notice of cancellation or reduction in coverage to the Risk Manager, City of Lodi, 221 West Pine St., Lodi, CA 95240, upon receipt from the insurer(s).

(f) Continuity of Coverage All policies shall be in effect on or before the first day of the Term of this Agreement. Upon the renewal 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 certificate of insurance and supporting endorsement page(s), 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 endorsements or policy excerpts 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 three (3) 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.

AMENDMENT NO. 2

GRANICUS, INC.
Services Agreement

THIS AMENDMENT NO. 2 TO AGREEMENT, is made and entered this 12 day of October, 2021, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and GRANICUS INC., (hereinafter "CONTRACTOR").

WITNESSETH:

1. WHEREAS, CONTRACTOR and CITY entered into a Services Agreement ("Agreement") on June 6, 2015, and on October, 8 2019 approved Amendment No. 1, Exhibit 1 and Exhibit 2 respectively, attached hereto;

2. WHEREAS, CITY requests to amend said Agreement to extend the term Agreement for one-year continuing Granicus Solution and Board and Commission Software support for an annual fee of $33,430; subject to the annual cost not exceeding the sum of $50,000; and

3. WHEREAS, CITY COUNCIL authorizes the City Manager to approve annual extensions of Agreement with Granicus Inc., with an annual increase not to exceed five percent of the previous annual fee subject to an annual cost not to exceed the sum of $50,000; and

4. 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 $33,430 for one-year with auto-renewal of service and no more than 5% increase annually, not to exceed an annual sum of $50,000 for licensing and support of Granicus Solutions and Board and Commission software. 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

STEPHEN SCHWABAUER
City Manager

Attest:

JENNIFER CUSMIR
City Clerk

Approved as to Form:

JANICE MAGDICH
City Attorney

GRANICUS, INC.

Jessica Yang

NAME: Jessica Yang
Title: Manager, Renewals

GRANICUS, INC. SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement"), dated as of June 18, 2015 (the "Effective Date"), is entered into between Granicus, Inc. ("Granicus"), a California Corporation, and City of Lodi, a Municipal Corporation (the "Client"). Additional definitions of capitalized terms used herein are set forth in Section 12 hereof.

A. WHEREAS, Granicus is in the business of developing, licensing, and offering for sale various streaming media solutions specializing in Internet broadcasting, and related support services; and

B. WHEREAS, Granicus desires to provide and Client desires to (i) purchase the Granicus Solution as set forth in the Proposal, which is attached as Exhibit A, and incorporated herein by reference, (ii) continue with Client's existing solution as described in the Current Solution document, which is attached as Exhibit B, and incorporated herein by reference, (iii) engage Granicus to integrate its Granicus Software onto the Client Website, (iv) use the Granicus Software subject to the terms and conditions set forth in this Agreement, and (v) contract with Granicus to administer the Granicus Solution through the Managed Services set forth in Exhibits A and B.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, representations, and warranties herein contained, the parties hereto agree as follows:

1. GRANICUS SOFTWARE AND MANAGED SERVICES.

1.1 Software and Services. Subject to the terms and conditions of this Agreement, Granicus will provide Client with the Granicus Software, and Managed Services that comprise the Granicus Solution as outlined in Exhibits A and B. Managed Services shall mean the services provided by Granicus to Client as detailed in Exhibits A and B. Managed Services Fee shall mean the monthly cost of the Managed Services, as detailed in Exhibits A and B.

2. GRANT OF LICENSE.

2.1 Ownership. Granicus, and/or its third party supplier, owns the copyright and/or certain proprietary information protectable by law in the Granicus Software.

2.2 Use. Granicus agrees to provide Client with a revocable, non-transferable and non-exclusive license to access the Granicus Software listed in the Proposal and a revocable, non-sublicensable, non-transferable and non-exclusive right to use the Granicus Software. All Granicus Software is proprietary to Granicus and protected by intellectual property laws and international intellectual property treaties. Pursuant to this Agreement, Client may use the Granicus Software to perform its own work, including Client's work with its customers/constituents. Cancellation of the Client's Managed Services will also result in the immediate termination of the Client's Software license as described in Section 2.2 hereof.

2.3 Limited Warranty; Exclusive Remedies. Subject to Sections 6.1 and 6.2 of this Agreement, Granicus warrants that the Granicus Software, as provided by Granicus, will substantially perform in accordance with the functionality and features as described in the Proposal

for as long as the Client pays for and receives Managed Services. Client's sole and exclusive remedy for any breach by Granicus of this warranty is to notify Granicus, with sufficient detail of the nonconformance, and provide Granicus with a reasonable opportunity to correct or replace the defective Granicus Software. Client agrees to comply with Granicus' reasonable instructions with respect to the alleged defective Granicus Software.

2.4 Limitations. Except for the license in Section 2.2, Granicus retains all ownership and proprietary rights in and to the Granicus Software, and Client is not permitted, and will not assist or permit a third party, to: (a) utilize the Granicus Software in the capacity of a service bureau or on a time share basis; (b) reverse engineer, decompile or otherwise attempt to derive source code from the Granicus Software; (c) provide, disclose, or otherwise make available the Granicus Software, or copies thereof, to any third party; or (d) share, loan, or otherwise allow another Meeting Body, in or outside its jurisdiction, to use the Granicus Software, or copies thereof, except as expressly outlined in the Proposal.

3. PAYMENT OF FEES

3.1 Client agrees to pay all fees, costs and other amounts as outlined in the Proposal in Exhibit A.

3.2 Fifty percent (50%) of all up-front fees for all products are due upon Granicus' receipt of an executed agreement or purchase order, as appropriate. The remaining fifty percent (50%) of up-front fees for each product are due upon delivery of that product. Annual billing for Managed Services for associated products shall begin upon completion of delivery as defined under Section 3.3 below. Client will be invoiced a pro-rated amount from the completion of delivery through the end of the year. Thereafter, Client will be billed, in advance, each January 1. Client agrees to pay all invoices from Granicus within thirty (30) days of receipt of invoice. Client acknowledges that products may be delivered and fully operational separate from the other purchased products.

3.3 For Granicus Hardware, delivery is complete once the Client receives Hardware components with the configured Granicus Software. For Granicus Software, delivery is complete once the Software is delivered and deemed by Granicus to be ready for Client's use. For Legistar, delivery is complete once the Hardware and Software are installed and deemed by Granicus to be ready for Client's use. Upon Granicus Hardware and/or Software delivery, Client will have fifteen (15) days to notify Granicus of any issues or problems. If Client notifies Granicus within such fifteen-(15) day period of issues or problems, Granicus will promptly work to fix those issues or problems.

3.4 Granicus, Inc. shall send all invoices to:

Name: Jennifer Ferraiolo
Title: City Clerk
Address: City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

3.5 Upon each yearly anniversary during the term of this Agreement (including both the initial term and all renewal terms), the Granicus Managed Service Fees shall automatically increase from the previous Managed Service Fees by five (5) percent per annum.

3.6 Training Usage Policies. Granicus has established best practice training plans around success with Granicus services, and Clients are encouraged to take advantage of all purchased training up-front in order to achieve the maximum amount of success with their services. All purchased training must be completed within ninety (90) days of the date of the project kickoff call. Any purchased training not used during this ninety (90) day period will expire. If Client feels that it is necessary to obtain more training after the initial ninety (90) day period, Client may purchase additional training at that time.

3.7 Training Cancellation Policies. Granicus' policies on Client cancellation of scheduled trainings are as follows:

(a) Onsite Training. For any cancellations within forty-eight (48) hours of the scheduled onsite training, Granicus, at its sole discretion, may invoice the Client for one hundred (100) percent of the purchased training costs and all travel expenses, including any incurred third party cancellation fees. Subsequent training will need to be purchased and scheduled at the previously quoted pricing.

(b) Online Training. For any cancellations within twenty-four (24) hours of the scheduled online training, Granicus, at its sole discretion, may invoice the Client for fifty (50) percent of the purchased training costs, including any incurred third party cancellation fees. Subsequent training will need to be purchased and scheduled at the previously quoted pricing.

4. CONTENT PROVIDED TO GRANICUS

4.1 Responsibility for Content. The Client shall have sole control and responsibility over the determination of which data and information shall be included in the Content that is to be transmitted, including, if applicable, the determination of which cameras and microphones shall be operational at any particular time and at any particular location. However, Granicus has the right (but not the obligation) to remove any Content that Granicus believes violates any applicable law or this Agreement.

4.2 Restrictions. Client shall not provide Granicus with any Content that: (i) infringes any third party's copyright, patent, trademark, trade secret or other proprietary rights; (ii) violates any law, statute, ordinance or regulation, including without limitation the laws and regulations governing export control and e-mail/spam; (iii) is defamatory or trade libelous; (iv) is pornographic or obscene, or promotes, solicits or comprises inappropriate, harassing, abusive, profane, defamatory, libelous, threatening, indecent, vulgar, or otherwise objectionable or constitutes unlawful content or activity; (v) contains any viruses, or any other similar software, data, or programs that may damage, detrimentally interfere with, intercept, or expropriate any system, data, information, or property of another.

5. TRADEMARK OWNERSHIP. Granicus and Client's Trademarks are listed in the Trademark Information exhibit attached as Exhibit D.

5.1 Each Party shall retain all right, title and interest in and to their own Trademarks, including any goodwill associated therewith, subject to the limited license granted pursuant to Section 5.2 hereof. Upon any termination of this Agreement, each Party's right to use the other Party's Trademarks pursuant to this Section 5 terminates.

5.2 Each Party grants to the other a non-exclusive, non-transferable (other than as

provided in Section 5 hereof), limited license to use the other Party's Trademarks as is reasonably necessary to perform its obligations under this Agreement, provided that any promotional materials containing the other Party's Trademarks shall be subject to the prior written approval of such other Party, which approval shall not be unreasonably withheld.

6. LIMITATION OF LIABILITY

6.1 Warranty Disclaimer. Except as expressly provided herein, Granicus' services, software and deliverables are provided "as is" and Granicus expressly disclaims any and all express or implied warranties, including but not limited to implied warranties of merchantability, and fitness for a particular purpose. Granicus does not warrant that access to or use of its software or services will be uninterrupted or error free. In the event of any interruption, Granicus' sole obligation shall be to use commercially reasonable efforts to restore access.

6.2 Limitation of Liabilities. To the maximum extent permitted by applicable law, Granicus and its suppliers and licensors shall not be liable for any indirect, special, incidental, consequential, or punitive damages, whether foreseeable or not, including but not limited to: those arising out of access to or inability to access the services, software, content, or related technical support; damages or costs relating to the loss of profits or revenues, goodwill, data (including loss of use or of data, loss or inaccuracy or corruption of data), or cost of procurement of substitute goods, services or technology, even if advised of the possibility of such damages and even in the event of the failure of any exclusive remedy. In no event will Granicus' and its suppliers' and licensors' liability exceed the total amount of Managed Services Fees paid by Client under this Agreement for the six (6) month period prior to the date the claim arose, regardless of the form of the claim (including without limitation, any contract, product liability, or tort claim (including negligence, statutory or otherwise).

7. CONFIDENTIAL INFORMATION & OWNERSHIP.

7.1 Confidentiality Obligations. Each party agrees to keep confidential and not disclose to any third party, and to use only for purposes of performing or as otherwise permitted under this Agreement, any Confidential Information of the other Party. The receiving party shall protect the Confidential Information using measures similar to those it takes to protect its own confidential and proprietary information of a similar nature but not less than reasonable measures. Each party agrees not to disclose the Confidential Information to any of its Representatives except those who are required to have the Confidential Information in connection with this Agreement and then only if such Representative is either subject to a written confidentiality agreement or otherwise subject to fiduciary obligations of confidentiality that cover the confidential treatment of the Confidential Information.

7.2 Exceptions. The obligations of this Section 7 shall not apply if receiving party can prove by appropriate documentation that such Confidential Information (i) was known to the receiving party as shown by the receiving party's files at the time of disclosure thereof, (ii) was already in the public domain at the time of the disclosure thereof, (iii) entered the public domain through no action of the receiving party subsequent to the time of the disclosure thereof, or (iv) is required by law or government order to be disclosed by the receiving party, provided that the receiving party shall (i) if permitted by applicable law, notify the disclosing party in writing of such required disclosure as soon as reasonably possible prior to such disclosure, (ii) use its commercially reasonable efforts at its expense to cause such disclosed Confidential Information to be treated by such governmental authority as trade secrets and as confidential.

8. TERM

8.1 The term of this Agreement shall commence on the date hereof and shall continue in full force and effect for thirty-six (36) months after the date hereof. This Agreement shall automatically renew in perpetuity for terms of one (1) year each, unless either party notifies the other in writing at least thirty (30) days prior to such automatic renewal that the party does not wish to renew this Agreement.

8.2 Rights Upon Termination. Upon any expiration or termination of this Agreement, and unless otherwise expressly provided in an exhibit to this Agreement:

(a) Client's right to access or use the Granicus Solution, including Granicus Software, terminates and Granicus has no further obligation to provide any services;

(b) Client shall immediately return the Granicus Software and all copies thereof to Granicus, and within thirty (30) days of termination, Client shall deliver a written certification to Granicus certifying that it no longer has custody of any copies of the Granicus Software.

(c) Client shall refer to Exhibit E for the four (4) termination/expiration options available regarding Content.

8.3 Obligations Upon Termination. Upon any termination of this Agreement,

(a) the parties shall remain responsible for any payments that have become due and owing up to the effective date of termination;

(b) the provisions of 2.1, 2.4, 3, 4, 5, 6., 7, 8.2, 11, and 12 of the Agreement, and applicable provisions of the exhibits intended to survive, shall survive termination of this Agreement and continue in full force and effect;

(c) pursuant to the termination or expiration options regarding Content as set forth on Exhibit E, Granicus shall allow the Client limited access to the Client's Content, including, but not limited to, all video recordings, timestamps, indices, and cross-referenced documentation. The Client shall also have the option to order hard copies of the Content in the form of compact discs or other equivalent format; and

(d) Granicus has the right to delete Content within sixty (60) days of the expiration or termination of this Agreement.

9. PATENT, COPYRIGHT AND TRADE SECRET INFRINGEMENT.

9.1 Granicus' Options. If the Granicus Software becomes, or in Granicus' opinion is likely to become, the subject of an infringement claim, Granicus may, at its option and sole discretion, (i) obtain for Client the right to continue to use the Granicus Software as provided in this Agreement; (ii) replace the Granicus Software with another software product that provides similar functionality; or (iii) if Granicus determines that neither of the foregoing options are reasonably available, Granicus may terminate this Agreement and refund any prepaid fees to Client for which it has not received the services.

10. INTERLOCAL AGREEMENT.

10.1 This Agreement may be extended for use by other municipalities, school districts and governmental agencies upon execution of an addendum or other signed writing setting forth all of the terms and conditions for such use, including the products and services and fees applicable thereto. Any such usage by other entities must be in accordance with the City Code, Charter and/or procurement rules and regulations of the respective governmental entity.

11. MISCELLANEOUS.

11.1 Amendment and Waiver. This Agreement may be amended, modified, waived or canceled only in writing signed by each of the parties hereto or, in the case of a waiver, by the party waiving compliance. Any failure by either party to strictly enforce any provision of this Agreement will not be a waiver of that provision or any further default.

11.2 Governing Law. The laws of the State of California shall govern the validity, construction, and performance of this Agreement, without regard to its conflict of law principles.

11.3 Construction and Severability. Wherever possible, each provision of this Agreement shall be interpreted so that it is valid under applicable law. If any provision of this Agreement is held illegal or unenforceable, that provision will be reformed only to the extent necessary to make the provision legal and enforceable; all remaining provisions continue in full force and effect.

11.4 Independent Contractors. The parties are independent contractors, and no other relationship is intended by this Agreement.

11.5 Force Majeure. Other than payment obligations, neither party is responsible for any delay or failure in performance if caused by any event outside the reasonable control of the party, including without limitation acts of God, government regulations, shortage of supplies, act of war, act of terrorism, earthquake, or electrical, internet or telecommunications outage.

11.6 Closed Captioning Services. Client and Granicus may agree that a third party will provide closed captioning or transcription services under this Agreement. In such case, Client expressly understands that the third party is an independent contractor and not an agent or employee of Granicus. Granicus is not liable for acts performed by such independent third party.

12. DEFINITIONS. In addition to terms defined elsewhere in this Agreement, the following terms shall have the meaning specified:

12.1 "Confidential Information" shall mean all proprietary or confidential information disclosed or made available by either party pursuant to this Agreement, directly or indirectly, in any manner whatsoever (including without limitation, in writing, orally, electronically, or by inspection), that is identified as confidential or proprietary at the time of disclosure or is of a nature that should reasonably be considered to be confidential, and includes but is not limited to the terms and conditions of this Agreement, and all business, technical and other information (including without limitation, all product, services, financial, marketing, engineering, research and development information, product specifications, technical data, data sheets, software, inventions, processes, training manuals, know-how and any other information or material); provided, however, that Confidential Information shall not include the Content that is to be published on the Client Website.

12.2 "Content" shall mean any and all, documents, graphics, video, audio, images, sounds and other content that is streamed or otherwise transmitted or provided by, or on behalf of, the Client to Granicus.

12.3 "Client Website" shall mean the Client's existing websites.

12.4 "Granicus Application Programmatic Interface" shall mean the Granicus interface which is used to add, update, extract, or delete information in MediaManager.

12.5 "Granicus Solution" shall mean the Solution detailed in the Proposal, which may include Granicus Software, Installation and Training, Managed Services, and Hardware, as specified in Exhibit A.

12.6 "Granicus Software" shall mean all software included with the Granicus Solution as specified in the attached Proposal that may include but is not limited to: MediaManager™ (includes Uploader, Software Development Kit, and Podcasting Services), MinutesMaker™ (includes LiveManager), MobileEncoder™, VotingSystem™ (includes Public Vote Display).

12.7 "Hardware" shall mean the equipment components of the Granicus Solution, as listed in Exhibit A.

12.8 "Managed Services" shall mean the services provided by Granicus to Client for bandwidth usage associated with live and archived Internet streaming, data storage, and Granicus Solution maintenance, upgrades, parts, customer support services, and system monitoring, as detailed in the Proposal attached as Exhibit A.

12.9 "Managed Services Fee" shall mean the monthly cost of the Managed Services, as specified in Exhibit A.

12.10 "Meeting Body" shall mean a unique board, commission, agency, or council body comprised of appointed or elected officials that meet in a public capacity with the objective of performing decisions through a democratic voting process (typically following Robert's Rules of Order). Two or more Meeting Bodies may be comprised of some or all of the same members or officials but may still be considered separate and unique Meeting Bodies at Granicus' sole discretion. For example, committees, subcommittees, city councils, planning commissions, parks and recreation departments, boards of supervisors, school boards/districts, and redevelopment agencies may be considered separate and unique individual Meeting Bodies at Granicus' sole discretion.

12.11 "Proposal" shall mean the document where the Granicus Solution that is the object of this Agreement is described along with pricing and training information.

12.12 "Representatives" shall mean the officers, directors, employees, agents, attorneys, accountants, financial advisors and other representatives of a party.

12.13 "Trademarks" shall mean all trademarks, trade names and logos of Granicus and Client that are listed on Exhibit D attached hereto, and any other trademarks, trade names and logos that Granicus or Client may specify in writing to the other party from time to time.

This Agreement consists of this Agreement as well as the following exhibits, which are incorporated herein by reference as indicated:

Exhibit A:	Proposal
Exhibit B:	Current Solution
Exhibit C:	Support Information
Exhibit D:	Hardware Exhibit
Exhibit E:	Trademark Information
Exhibit F:	Termination or Expiration Options Regarding Content

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives,

GRANICUS, INC.

By: _____

Jason Fletcher

Its: Chief Executive Officer

Address:

707 17th Street, Suite 4000

Denver, CO 80202

CITY OF LODI, A MUNICIPAL CORPORATION

By: _____

Name: _____

Its: _____

Address:

Date: _____

Approved as to form

_____

City Attorney

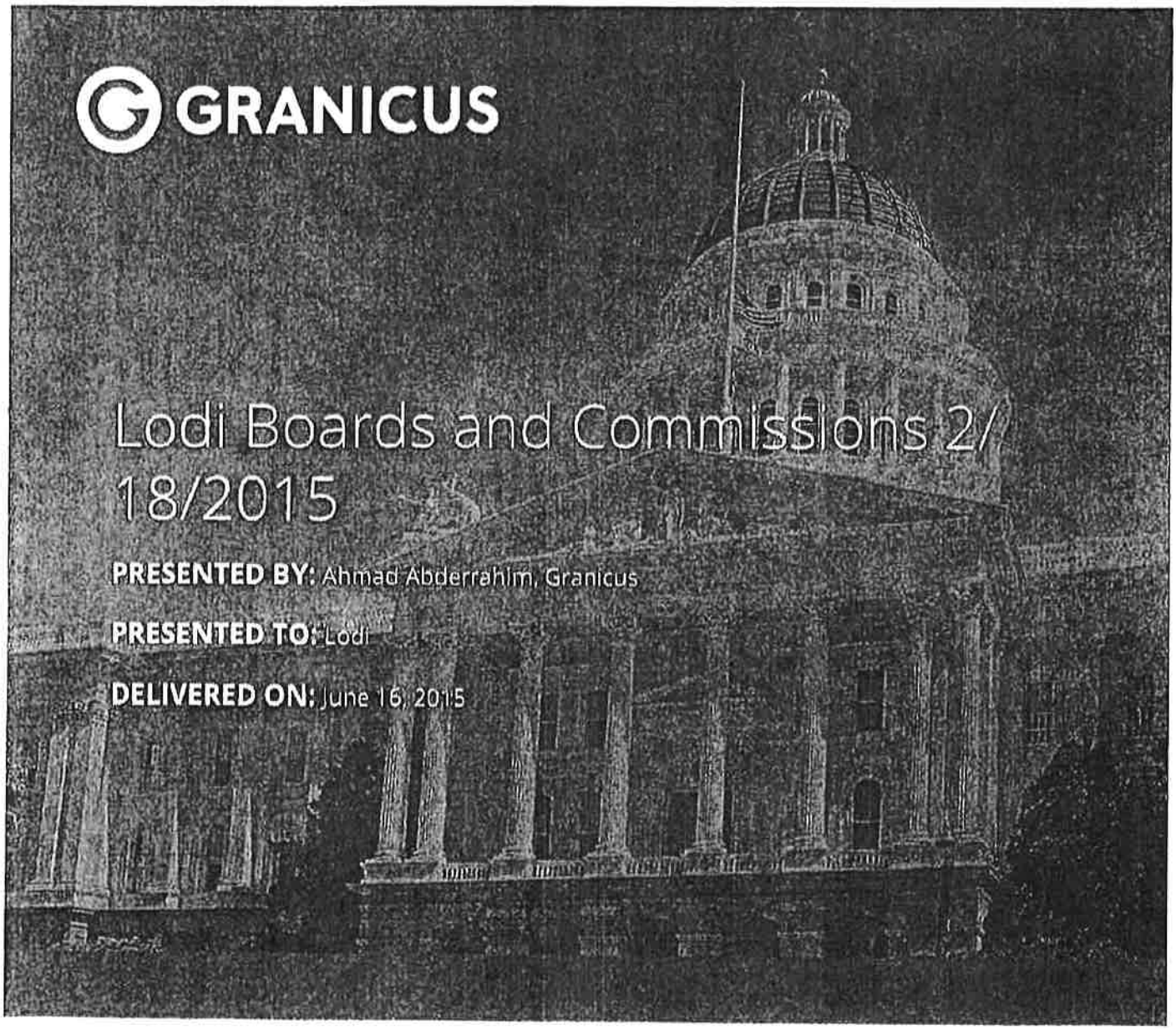

Exhibit A

COPYRIGHT © 2014 GRANICUS, INC.

GRANICUS

Pricing Breakdown for your Solution

Software as a Service			
Name	**Qty**	**Unit (Monthly)**	**Total (Monthly)**
Boards and Commissions	1 Package	$500.00	$500.00
	Total Software Monthly Cost:		**$500.00**

Total Upfront Cost:	$0.00
Total Monthly Cost:	$500.00

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GRANICUS

Granicus® Open Platform

The Granicus® Open Platform is the cloud-based foundation for all Granicus applications. It allows government organizations to manage and store an unlimited amount government public meeting data. It is the core of our content management, administration and distribution tools and includes free access to our APIs and SDKs, helping you seamlessly connect your Granicus solution to systems in place. The Granicus Platform includes the ability to upload and publish content including videos and documents. Click here (http://www.granicus.com/Solutions/Granicus-Open-Platform.aspx) for more information on the Granicus Open Platform.

- Unlimited content storage and distribution
- Open architecture and SDK
- Archived video editing and indexing
- Citizen web portal
- Live and on-demand streaming to mobile devices
- Create a paperless agenda environment with iLegislate® for the iPad

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GRANICUS

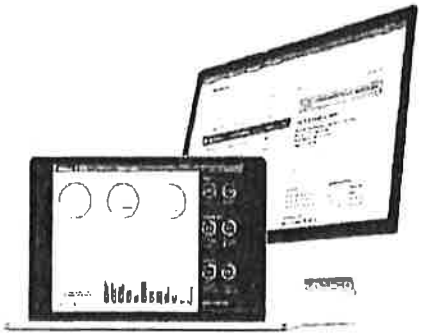
Boards & Commissions

The Boards and Commissions app is designed to help government agencies easily manage government body appointments, vacancies, and citizen applications online. Now, the public can easily see what boards and commissions exist and take the opportunity to apply for open seats quickly from the web.

Traditionally, applying for boards and commissions is a paper-heavy and labor intensive process involving a lot of emails, phone calls, public notices, multiple systems and ongoing coordination throughout the year for governing bodies. This application simplifies the entire administrative process with online appointment workflows. There are even automated email form letters, and website widget builders to save time in the recruitment process.

Some of the key features it includes:

- Easily publish and promote open vacancies on their website and across social networks
- Customize and design your citizen application template and leverage a seamless integration to any government website
- Filter and qualify applicants using simple and effective search tools
- Auto-generate communications and follow up for all steps of the application & appointment process
- Intelligent dashboard for monitoring terms and vacancies with built in alert system
- Integrates seamlessly with Granicus' Legislative Management toolset



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GRANICUS

BOARDS AND COMMISSIONS

Customer Implementation Plan

A Granicus Boards & Commissions implementation consists of three phases. The tasks in the first phase rely heavily on the collection and delivery of various data from the customer. In the second phase, the ownership of tasks shifts to Granicus, as this is the stage where the data provided by the customer is used to install and configure the actual Boards & Commissions application. The third and final phase consists of a joint collaboration between the customer and Granicus to validate the various Boards & Commissions configurations, and to introduce the available training and customer care resources.

Timeline	Task	Description	Task Owner	Date
Week 0	Client gathers and sends initial files	Board Custom Details to track Users (Name, Emails) Internal Tracking details for applicants Member Roster in Excel Current Applicants in Excel	Client	TBD
Week 1	Deploy Boards and Commissions application	Installation of Boards and Commissions App on client's Granicus Platform.	Granicus Project Manager	TBD
Week 1	Application setup	Create Application Add Custom Board Details Add Custom Internal Tracking Set up initial 'widgets'	Granicus Designer	TBD
Week 1	Email main client contact with initial setup complete	Client main contacts have access to the application	Granicus Project Manager	TBD
Week 1	Import data	If client provided boards, board rosters and citizen applicants, import data into system	Granicus Data Manager	TBD
Week 1	Boards and Commissions Users Training & Introduction	Email users with training program and links to the application	Granicus Project Manager	TBD
Week 2	Validation Call	Group call with main B&C users, webmaster and IT for application review & checkoff	Granicus Project Manager	TBD

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Granicus Differentiators

- World's most experienced provider of government transparency, citizen participation, meeting efficiency, and legislative management solutions with:
    - Over 1,000 clients in all 50 states, at every level of government
    - Over 31 million government webcasts viewed
    - More than 265,350 government meetings online
- First fully integrated legislative workflow management system for local government
- Open API architecture and SDK allow for seamless integrations with systems already in place
- Certified integrations provide flexibility and choice of agenda workflow solutions
- Exclusive provider of the iLegislate iPad application that allows users to review agendas and supporting materials, bookmark and take notes on items, stream archived videos, and review community feedback
- Only government webcasting service to provide encoding, minutes annotation, transcription, and closed captioning services
- Truly unlimited storage and distribution for all meeting bodies and non-meeting content
- Indefinite retention schedules for all archived meeting and non-meeting content
- Only provider of both government webcasting and citizen engagement services
- 24/7/365 customer service and support
- 97% customer satisfaction rating, 98.5% client retention rating
- One of the 100 companies that matter most in online video by Streaming Media magazine
- Ranked 185 on Deloitte 500 fastest growing companies
- Ranked 419 on Inc 500 fastest growing companies
- Client Success stories are available here: http://www.granicus.com/customers/case-studies/

Proposal Terms and Conditions

- Sales tax may apply depending on your organization's tax status and the tax laws unique to your state, county and/or municipality

- Clients who have completed a contest entry form and enter into an agreement with Granicus (with a minimum three (3) year term) to purchase Granicus' Boards and Commissions Application before June 30, 2015, qualify for a one-time promotion. As part of this promotion, two (2) Grand Prize winners will receive Monthly Managed Service Fees ("MMS") at no cost to the Client for a full year (12 months), with runners-up receive a 10-percent discount off MMS pricing for a full year (12 months). Discounted billing for Monthly Managed Services will start after deployment has been completed**. The MMS pricing will revert to one hundred percent (100%) of the regular price after the initial 12-month period. Up-front costs are not affected by this promotion. Monthly Managed service fees on Client's current services are not affected by this promotion. This promotion cannot be used in conjunction with any other discount or promotion for Boards and Commissions.

  **In an effort to ensure our customers leverage this promotion in the most advantageous way, it's imperative that project pre-requisites are completed prior to the start of the project. Your sales representative and your sales engineer will work with you in gathering the necessary items such as: technical requirements and preparation, primary users and leads contacts, workflow definitions, document template assessments. Other pre-requisite items may be required depending on the solution. Your Granicus representative(s) will determine these requirements.

  Granicus has seen historically that the contracting phase of the agreement tends to take the most time. Please note that your project cannot begin deployment until both parties has signed and agreed on the contract.

  For Boards and Commissions, deployment is complete once the software has been provisioned and configured by Granicus based on technical scope and workflow definitions determined throughout the implementation process. The software is considered deployed once all software is installed which occurs prior to customer training.

EXHIBIT B

CURRENT SOLUTION

The current Granicus solutions used by the City of Lodi include:

- Open Platform
- Government Transparency
- Meeting Efficiency

City of Lodi pays the following monthly managed service fee:

$1,685.89/month

[The remainder of this page is left blank intentionally.]

EXHIBIT C

SUPPORT INFORMATION

1. Contact Information. The support staff at Granicus may be contacted by the Client at its mailing address, general and support-only telephone numbers, and via e-mail or the Internet.

(a) Mailing Address. Mail may be sent to the support staff at Granicus headquarters, located at 707 17th Street, Suite 4000, Denver, CO 80202.

(b) Telephone Numbers. Office staff may be reached from 5:00 AM to 5:00 PM Pacific time at (415) 357-3618 or toll-free at (877) 889-5495. The technical support staff may be reached at (415) 357-3618 opt 1.

(c) Internet and E-mail Contact Information. The website for Granicus is http://www.granicus.com. E-mail may be sent to the support staff at customercare@granicus.com.

2. Support Policy. When Granicus receives notification of an issue from Client, Granicus, Inc. customer advocate or technical support engineer will respond with notice that they will be actively working to resolve the issue. Granicus, Inc. will make a good faith effort to give an assessment of the issue and an estimated time for resolution. Notification shall be the documented time that the Client either calls or e-mails Granicus, Inc. to notify them of an issue or the documented time that Granicus, Inc. notifies Client there is an issue. Granicus reserves the right to modify its support and maintenance policies, as applicable to its customers and licensees generally, from time to time, upon reasonable notice.

3. Scheduled Maintenance. Scheduled maintenance of the Granicus Solution will not be counted as downtime. Granicus will clearly post that the site is down for maintenance and the expected duration of the maintenance. Granicus will provide the Client with at least three (3) days prior notice for any scheduled maintenance. All system maintenance will only be performed during these times, except in the case of an emergency. In the case that emergency maintenance is required, the Client will be provided as much advance notice, if any, as possible under the circumstances.

4. Software Enhancements or Modifications. The Client may, from time to time, request that Granicus incorporate certain features, enhancements or modifications ("Modifications") into the licensed Granicus Software. Subject to the terms and conditions to this exhibit and the Agreement, Granicus and Client will use commercially reasonable efforts to enter into a written scope of work ("SOW") setting forth the Modifications to be done, the timeline to perform the work and the fees and costs to be paid by Client for the work.

4.1 Documentation. The SOW will include a detailed requirements and detailed design document illustrating the complete financial terms that govern the SOW, proposed project staffing, anticipated project schedule, and other information relevant to the project. Such Modifications shall become part of the licensed Granicus Software.

4.2 Acceptance. Client understands that all work contemplated by this exhibit is on a "time-and-materials" basis unless otherwise stated in the SOW. Delivery of the software containing the Modifications shall be complete once such software is delivered and deemed by Granicus to be ready for Client's use. Client will have fifteen (15) days after delivery of the Modifications to notify Granicus

of any issues or problems. If Client notifies Granicus within such fifteen (15) day period of issues or problems, Granicus will promptly work to fix those issues or problems.

4.3 Title to Modifications. All such Modifications shall be the sole property of the Granicus.

5. Limitation of Liability; Exclusive Remedy. IN THE EVENT OF ANY INTERRUPTION, GRANICUS' SOLE OBLIGATION, AND CLIENT'S EXCLUSIVE REMEDY, SHALL BE FOR GRANICUS TO USE COMMERCIALLY REASONABLE EFFORTS TO RESTORE ACCESS AS SOON AS REASONABLY POSSIBLE.

EXHIBIT D

HARDWARE EXHIBIT

THIS HARDWARE EXHIBIT is entered into by Granicus and Client, as an attachment to the Agreement between Granicus and Client, for the Hardware components of the Granicus Solution (the "Hardware") provided by Granicus to Client. This exhibit is an additional part of the Agreement and is incorporated therein by reference. Capitalized terms used but not defined in this exhibit have the meanings given in the Agreement.

1. Price. The price for the Hardware shall be the price specified in the Proposal.

2. Delivery. Any scheduled ship date quoted is approximate and not the essence of this exhibit. Granicus will select the shipment method unless otherwise mutually agreed in writing. Granicus retains title to and ownership of all Granicus Software installed by Granicus on the Hardware, notwithstanding the use of the term "sale" or "purchase."

3. Acceptance. Use of the Hardware by Client, its agents, employees or licensees, or the failure by Client to reject the Hardware within fifteen (15) days following delivery of the Hardware, constitutes Client's acceptance. Client may only reject the Hardware if the Hardware does not conform to the applicable written specifications.

4. Service Response Time. For hardware issues requiring replacement, Granicus shall respond to the request made by the Client within twenty-four (24) hours. Hardware service repair or replacement will occur within seventy-two (72) hours of determination of a hardware issue, not including the time it takes for the part to ship and travel to the Client. The Client shall grant Granicus, or its representatives access to the equipment for the purpose of repair or replacement at reasonable times. Granicus will keep the Client informed regarding the timeframe and progress of the repairs or replacement. Once the Hardware is received Client's responsibilities will include:

   a. Mount server on client rack (if applicable)

   b. Connecting original network cables.

   c. Connecting original audio and video cables (if applicable).

5. LIMITATION OF LIABILITY. GRANICUS SHALL NOT BE LIABLE FOR CONSEQUENTIAL, EXEMPLARY, INDIRECT, SPECIAL, PUNITIVE OR INCIDENTAL DAMAGES ARISING OUT OF OR RELATING TO THIS EXHIBIT INCLUDING WITHOUT LIMITATION LOSS OF PROFIT, WHETHER SUCH LIABILITY ARISES UNDER CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT PRODUCT LIABILITY OR OTHERWISE, EVEN IF GRANICUS HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGE COULD HAVE BEEN REASONABLY FORESEEN. IN NO EVENT WILL GRANICUS' LIABILITY TO CLIENT ARISING OUT OF OR RELATING TO THIS EXHIBIT EXCEED THE AMOUNT OF THE PRICE PAID TO GRANICUS BY CLIENT FOR THE HARDWARE.

6. Hardware. In the event of malfunction for Hardware provided by Granicus, Hardware will be repaired or replaced as per the warranty, and as detailed in this Exhibit. Granicus provides the above-mentioned services under Client's acknowledgment that all Granicus tools, and systems will be installed by the manufacturer chosen by Granicus within the Hardware, provided to the client. These software tools have been qualified by Granicus to allow the highest level of service for the client. While it is Granicus' intention to provide all Clients with the same level of customer care and warranty, should the Client decline these recommended tools, certain levels of service and warranty may not guaranteed.

7. Remote Accessibility. Granicus leverages remote access tools such as Logmein for installation and ongoing maintenance of Granicus software. These tools are designed to provide Granicus technicians with necessary information to diagnose and resolve software problems. Should the Client decide to decline these remote tools, Granicus cannot guarantee optimal level of service due to limited access to Granicus Hardware. Client understand that should they decide to use internal methods of access, such as VPN, Client may need to assist Granicus technicians for remote accessibility during business hours as well as after hours in the event Granicus technicians are unable to access remote Granicus systems.

8. Purchased Hardware Warranty. For Hardware purchased from Granicus by Client, Granicus will provide to Client a three (3) year warranty with respect to the Hardware. Within the three (3) year warranty period, Granicus shall repair or replace any Hardware provided directly from Granicus that fails to function properly due to normal wear and tear, defective workmanship, or defective materials.

9. Use of Non-Approved Hardware. The Granicus platform is designed and rigorously tested based on Granicus-approved Hardware. In order to provide the highest level of support, Granicus requires the use of Granicus-approved Hardware in your solution. While it is Granicus' intention to provide all clients with the same level of customer care and continuous software upgrades, Granicus does not make any guarantees or warranties whatsoever in the event Client uses non-approved hardware.

10. Client Changes to Hardware Prohibited. Client shall not install any software or software components that have not been agreed upon in advance between Client and Granicus technical staff. While it is Granicus' intention to provide all clients with the same level of customer care, Granicus does not make any guarantees or warranties whatsoever regarding the Hardware in the event Client violates this provision.

EXHIBIT E

TRADEMARK INFORMATION

Granicus Registered Trademarks ® Include:

Granicus logo as a mark
Granicus®
Legistar®
MediaVault®
MinutesMaker®
Mobile Encoder®
Outcast Encoder®
StreamReplicator®

Granicus Trademark Names ™ Include:

CivicIdeas™
iLegislate™
InSite™
Integrated Public Record™
Intelligent Routing™
LinkedMinutes™
LiveManager™
MediaCenter™
MediaManager™
MediaVault™
MeetingMember™
MeetingServer™
Simulcast Encoder™
VoteCast™
VoteCast™ Classic
VoteCast™ Touch

For an updated list of Granicus registered trademarks, trademarks and servicemarks, please visit: http://www.granicus.com/help/legal/copyright-and-trademark/.

Client Trademarks

None

EXHIBIT F

TERMINATION OR EXPIRATION OPTIONS REGARDING CONTENT

In case of termination or expiration of the Agreement, Granicus and the Client shall work together to provide the Client with a copy of its Content. The Client shall have the option to choose one (1) of the following methods to obtain a copy of its Content:

- Option 1: Video/Audio files made available through an external hard drive or FTP site in its raw non-proprietary format. A CSV file will be included providing file name mapping and date. This option shall be provided to Client at Granicus' actual cost, which shall not be unreasonable.
- Option 2: Provide the Content via download from the application UI. This option shall be provided free of charge and is available anytime.
- Option 3: Provide the means to pull the content using the Granicus Application Programming Interface (API). This option is provided free of charge and is available at anytime.
- Option 4: Professional services can be contracted for a fee to customize the retrieval of content from the system.

The Client and Granicus shall work together and make their best efforts to transfer the Content within the sixty (60) day termination period. Granicus has the right to delete Content from its services after sixty (60) days, or whenever transfer of content is completed, whichever is later.

Lodi Amendment 2 - Extension 2021

Final Audit Report 2021-09-23

Created:	2021-09-23
By:	John Watkins (John.Watkins@granicus.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAXvn61NuZNCSVTJc0skCNbtHKBlX6hh6B

"Lodi Amendment 2 - Extension 2021" History

Document created by John Watkins (John.Watkins@granicus.com)
2021-09-23 - 2:52:07 PM GMT- IP address: 73.37.209.163

Document emailed to Jessica Yang (jessica.yang@granicus.com) for signature
2021-09-23 - 2:53:31 PM GMT

Email viewed by Jessica Yang (jessica.yang@granicus.com)
2021-09-23 - 2:56:43 PM GMT- IP address: 94.176.0.252

Document e-signed by Jessica Yang (jessica.yang@granicus.com)
Signature Date: 2021-09-23 - 3:22:08 PM GMT - Time Source: server- IP address: 73.242.94.171

Agreement completed.
2021-09-23 - 3:22:08 PM GMT

GRANICUS

First Amendment to the Granicus Service Agreement between Granicus, Inc. and Lodi, CA

This First Amendment to the Granicus, Inc. Service Agreement is effective 9/1/2019 and entered into by and between Granicus, Inc., a California Corporation (hereinafter referred to as "Granicus"), and Lodi, CA (hereinafter referred to as "Client"), with reference to the following:

WHEREAS, the Client and Granicus entered into an Agreement effective 6/18/2015 (the "Agreement"); and

WHEREAS, In addition to Client's existing solution, Client wishes to add certain products and services as detailed in Q-77528, which is attached as Exhibit A and incorporated herein by reference;

NOW, THEREFORE, In consideration of the premises, the parties intend that the Agreement be amended as follows:

1. Compensation shall be amended to include the fees detailed in Exhibit A. Exhibit A is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is the responsibility of the Client to provide applicable exemption certificate(s).
2. Except as amended by this First Amendment, all other terms and conditions of the Agreement shall remain in full force and effect.
3. In the event of any inconsistency between the provisions of this First Amendment and the documents comprising the Agreement, the provisions of this First Amendment shall prevail.

IN WITNESS WHEREOF, the parties have caused this First Amendment to be executed by their duly authorized representatives.

Agreement and Acceptance

By signing this document, the undersigned certifies they have authority to enter the agreement. The undersigned also understands the services and terms.

Lodi, CA
Signature:
Name: Deputy City Manager
Title:
Date:

Granicus
Signature:
Name: Jessica Yang
Title: Manager of Business and Contracts
Date: 10 9th 2019

GRANICUS

Exhibit A

Granicus Proposal for Lodi, CA

Granicus Contact

Name: Andrew Murray

Phone: (202) 407-7435

Email: andrew.murray@granicus.com

Proposal Details

Quote Number: Q-77528

Prepared On: 8/19/2019

Valid Through: 10/18/2019

Pricing

Payment Terms: Net 30 (Payments for subscriptions are due at the beginning of the period of performance.)

Currency: USD

Terminating Subscription(s)

Solution	Billing Frequency	Quantity/Unit	Annual Fee
Granicus Encoding Appliance Software (GT)	Monthly	0 Each	$1,323.00

Upon the signing of this Agreement, annual fees for the terminating subscription(s) shall cease. Any pre-paid fees for the terminating subscription(s) after the signing of this Agreement will be prorated from the signing of this Agreement to the end of the Customer's then-current billing term, credited, and such credit applied to the annual fees for new subscriptions.

Customer will continue to have access to and use the terminating solution until the new solution is deployed.

Upon the deployment of Customer's new solution as determinec at Granicus' sole discretion, Granicus shall remove access to the Customer's terminating solution.

One-Time Fees

Solution	Billing Frequency	Quantity/Unit	One-Time Fee
Granicus Encoding Appliance Hardware - SDI (AMAX) (GT)	Upon Delivery	1 Each	$3,500.00
Granicus Encoding Appliance Hardware - Setup & Config	Upon Delivery	1 Each	$875.00
US Shipping Charge C - Large Item	Upon Delivery	1 Each	$125.00
Granicus Encoding Appliance Hardware - Setup & Config	Upon Delivery	1 Each	$0.00
		SUBTOTAL:	**$4,500.00**

Annual Fees for New Subscriptions

Solution	Billing Frequency	Quantity/Unit	Annual Fee
Granicus Encoding Appliance Software (GT)	Monthly	1 Each	$2,523.00
Upgrade to SDI 720p Streaming	Monthly	1 Each	$1,200.00
		SUBTOTAL:	**$3,723.00**

Please note, annual fees for new subscriptions will be prorated to align to Client's then-current billing term. Exceptions include Recurring Captioning Services, SMS, and Targeted Messages.

Product Descriptions

Name	Description
Granicus Encoding Appliance Hardware - SDI (AMAX) (GT)	AMAX Encoder with Osprey SDI Card. Used to pass commands and data from LiveManager that include Start/Stop of webcast, Indexing, and document display. Also serves to distribute video and captions to be distributed to the CDN or Performance Accelerator.
Granicus Encoding Appliance Software (GT)	Granicus Encoding Appliance Software (GT) This includes the LiveManager Software solution where webcasts are started/stopped, agendas amended and indexed, votes and attendance recorded, and minutes created.
Granicus Encoding Appliance Hardware - Setup & Config	Remote configuration and deployment of an encoding appliance.
US Shipping Charge C - Large Item	US shipping of a large item
Upgrade to SDI 720p Streaming	Upgrade to SDI 720p Streaming (requires Digital encoder and HD feed)

GRANICUS

408 Saint Peter Street, Suite 600
Saint Paul, MN 55102
United States

THIS IS NOT AN INVOICE

Order Form
Prepared for
Lodi, CA

Please note: This is not an invoice. This is a budgetary proposal that outlines the products and fees associated with the subscription renewal. Please inform the Granicus Contact listed below if you wish to issue a PO against this budgetary proposal.

ORDER DETAILS

Prepared By:	Olive Nofzinger
Phone:	
Email:	olivia.nofzinger@granicus.com
Order #:	Q-132136
Prepared On:	07/29/2021
Expires On:	05/31/2021

ORDER TERMS

Currency:	USD
Payment Terms:	Net 30 (Payments for subscriptions are due at the beginning of the period of performance.)
Period of Performance:	06/01/2021 - 05/31/2022

PRICING SUMMARY

The pricing and terms within this Proposal are specific to the products and volumes contained within this Proposal.

Renewing Subscription Fees			
Solution	**Billing Frequency**	**Quantity/Unit**	**Annual Fee**
Open Platform Suite	Monthly	1 Each	$0.00
Boards and Commissions	Monthly	1 Each	$7,293.04
Government Transparency Suite	Monthly	1 Each	$22,030.39
Granicus Encoding Appliance Software (GT)	Monthly	1 Each	$2,781.61
Upgrade to SDI 720p Streaming	Monthly	1 Each	$1,323.00
		SUBTOTAL:	**$33,428.04**

PRODUCT DESCRIPTIONS

Solution	Description
Open Platform Suite	Open Platform is access to MediaManager, upload of archives, ability to post agendas/documents, and index of archives. These are able to be published and accessible through a searchable viewpage.
Boards and Commissions	Boards and Commissions is a Software-as-a-Service (SaaS) solution that enables government organizations to simplify the citizen application and appointment to boards process of the clerk's office. Boards and Commissions includes: • Unlimited user accounts • Unlimited boards, commissions, committees, and subcommittees • Unlimited storage of citizen applications • Access to up to one (1) Boards and Commissions site • Access to customizable, embeddable iFrame websites for displaying information to citizens • Access to a customizable online citizen application form including board-specific questions • Customizable forms for board details, appointment details, and internal tracking details • Pre-designed document PDFs for applications, board details and rosters, and vacancy reports • Downloadable spreadsheets for easy reporting *Optional custom templates for document or report generation may also be purchased for an additional fee.*
Government Transparency Suite	Government Transparency are the live in-meeting functions. Streaming of an event, pushing of documents, and indexing of events.
Granicus Encoding Appliance Software (GT)	Granicus Encoding Appliance Software (GT) This includes the LiveManager Software solution where webcasts are started/stopped, agendas amended and indexed, votes and attendance recorded, and minutes created.
Upgrade to SDI 720p Streaming	Upgrade to SDI 720p Streaming (requires Digital encoder and HD feed)

TERMS & CONDITIONS

- The terms and conditions set forth in the Agreement effective 06-18-2015 are incorporated herein by reference and attached as "Exhibit A".
- This quote is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is the responsibility of Lodi, CA to provide applicable exemption certificate(s).
- Granicus certifies that it will not sell, retain, use, or disclose any personal information provided by Client for any purpose other than the specific purpose of performing the services outlined within this Agreement.
- If submitting a Purchase Order, please include the following language: The pricing, terms and conditions of quote Q-132136 dated 07-29-2021 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.
- Notwithstanding anything to the contrary, Granicus reserves the right to adjust pricing at any renewal in which the volume has changed from the prior term without regard to the prior term's per-unit pricing.

EXHIBIT A

GRANICUS, INC. SERVICE AGREEMENT

THIS SERVICE AGREEMENT (the "Agreement"), dated as of June 18, 2015 (the "Effective Date"), is entered into between Granicus, Inc. ("Granicus"), a California Corporation, and City of Lodi, a Municipal Corporation (the "Client"). Additional definitions of capitalized terms used herein are set forth in Section 12 hereof.

A. WHEREAS, Granicus is in the business of developing, licensing, and offering for sale various streaming media solutions specializing in Internet broadcasting, and related support services; and

B. WHEREAS, Granicus desires to provide and Client desires to (i) purchase the Granicus Solution as set forth in the Proposal, which is attached as Exhibit A, and incorporated herein by reference, (ii) continue with Client's existing solution as described in the Current Solution document, which is attached as Exhibit B, and incorporated herein by reference, (iii) engage Granicus to integrate its Granicus Software onto the Client Website, (iv) use the Granicus Software subject to the terms and conditions set forth in this Agreement, and (v) contract with Granicus to administer the Granicus Solution through the Managed Services set forth in Exhibits A and B.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements, covenants, representations, and warranties herein contained, the parties hereto agree as follows:

1. GRANICUS SOFTWARE AND MANAGED SERVICES.

1.1 Software and Services. Subject to the terms and conditions of this Agreement, Granicus will provide Client with the Granicus Software, and Managed Services that comprise the Granicus Solution as outlined in Exhibits A and B. Managed Services shall mean the services provided by Granicus to Client as detailed in Exhibits A and B. Managed Services Fee shall mean the monthly cost of the Managed Services, as detailed in Exhibits A and B.

2. GRANT OF LICENSE.

2.1 Ownership. Granicus, and/or its third party supplier, owns the copyright and/or certain proprietary information protectable by law in the Granicus Software.

2.2 Use. Granicus agrees to provide Client with a revocable, non-transferable and non-exclusive license to access the Granicus Software listed in the Proposal and a revocable, non-sublicensable, non-transferable and non-exclusive right to use the Granicus Software. All Granicus Software is proprietary to Granicus and protected by intellectual property laws and international intellectual property treaties. Pursuant to this Agreement, Client may use the Granicus Software to perform its own work, including Client's work with its customers/constituents. Cancellation of the Client's Managed Services will also result in the immediate termination of the Client's Software license as described in Section 2.2 hereof.

2.3 Limited Warranty; Exclusive Remedies. Subject to Sections 6.1 and 6.2 of this Agreement, Granicus warrants that the Granicus Software, as provided by Granicus, will substantially perform in accordance with the functionality and features as described in the Proposal

for as long as the Client pays for and receives Managed Services. Client's sole and exclusive remedy for any breach by Granicus of this warranty is to notify Granicus, with sufficient detail of the nonconformance, and provide Granicus with a reasonable opportunity to correct or replace the defective Granicus Software. Client agrees to comply with Granicus' reasonable instructions with respect to the alleged defective Granicus Software.

2.4 Limitations. Except for the license in Section 2.2, Granicus retains all ownership and proprietary rights in and to the Granicus Software, and Client is not permitted, and will not assist or permit a third party, to: (a) utilize the Granicus Software in the capacity of a service bureau or on a time share basis; (b) reverse engineer, decompile or otherwise attempt to derive source code from the Granicus Software; (c) provide, disclose, or otherwise make available the Granicus Software, or copies thereof, to any third party; or (d) share, loan, or otherwise allow another Meeting Body, in or outside its jurisdiction, to use the Granicus Software, or copies thereof, except as expressly outlined in the Proposal.

3. PAYMENT OF FEES

3.1 Client agrees to pay all fees, costs and other amounts as outlined in the Proposal in Exhibit A.

3.2 Fifty percent (50%) of all up-front fees for all products are due upon Granicus' receipt of an executed agreement or purchase order, as appropriate. The remaining fifty percent (50%) of up-front fees for each product are due upon delivery of that product. Annual billing for Managed Services for associated products shall begin upon completion of delivery as defined under Section 3.3 below. Client will be invoiced a pro-rated amount from the completion of delivery through the end of the year. Thereafter, Client will be billed, in advance, each January 1. Client agrees to pay all invoices from Granicus within thirty (30) days of receipt of invoice. Client acknowledges that products may be delivered and fully operational separate from the other purchased products.

3.3 For Granicus Hardware, delivery is complete once the Client receives Hardware components with the configured Granicus Software. For Granicus Software, delivery is complete once the Software is delivered and deemed by Granicus to be ready for Client's use. For Legistar, delivery is complete once the Hardware and Software are installed and deemed by Granicus to be ready for Client's use. Upon Granicus Hardware and/or Software delivery, Client will have fifteen (15) days to notify Granicus of any issues or problems. If Client notifies Granicus within such fifteen-(15) day period of issues or problems, Granicus will promptly work to fix those issues or problems.

3.4 Granicus, Inc. shall send all invoices to:

Name: Jennifer Ferraiolo
Title: City Clerk
Address: City of Lodi
P.O. Box 3006
Lodi, CA 95241-1910

3.5 Upon each yearly anniversary during the term of this Agreement (including both the initial term and all renewal terms), the Granicus Managed Service Fees shall automatically increase from the previous Managed Service Fees by five (5) percent per annum.

3.6 Training Usage Policies. Granicus has established best practice training plans around success with Granicus services, and Clients are encouraged to take advantage of all purchased training up-front in order to achieve the maximum amount of success with their services. All purchased training must be completed within ninety (90) days of the date of the project kickoff call. Any purchased training not used during this ninety (90) day period will expire. If Client feels that it is necessary to obtain more training after the initial ninety (90) day period, Client may purchase additional training at that time.

3.7 Training Cancellation Policies. Granicus' policies on Client cancellation of scheduled trainings are as follows:

(a) Onsite Training. For any cancellations within forty-eight (48) hours of the scheduled onsite training, Granicus, at its sole discretion, may invoice the Client for one hundred (100) percent of the purchased training costs and all travel expenses, including any incurred third party cancellation fees. Subsequent training will need to be purchased and scheduled at the previously quoted pricing.

(b) Online Training. For any cancellations within twenty-four (24) hours of the scheduled online training, Granicus, at its sole discretion, may invoice the Client for fifty (50) percent of the purchased training costs, including any incurred third party cancellation fees. Subsequent training will need to be purchased and scheduled at the previously quoted pricing.

4. CONTENT PROVIDED TO GRANICUS

4.1 Responsibility for Content. The Client shall have sole control and responsibility over the determination of which data and information shall be included in the Content that is to be transmitted, including, if applicable, the determination of which cameras and microphones shall be operational at any particular time and at any particular location. However, Granicus has the right (but not the obligation) to remove any Content that Granicus believes violates any applicable law or this Agreement.

4.2 Restrictions. Client shall not provide Granicus with any Content that: (i) infringes any third party's copyright, patent, trademark, trade secret or other proprietary rights; (ii) violates any law, statute, ordinance or regulation, including without limitation the laws and regulations governing export control and e-mail/spam; (iii) is defamatory or trade libelous; (iv) is pornographic or obscene, or promotes, solicits or comprises inappropriate, harassing, abusive, profane, defamatory, libelous, threatening, indecent, vulgar, or otherwise objectionable or constitutes unlawful content or activity; (v) contains any viruses, or any other similar software, data, or programs that may damage, detrimentally interfere with, intercept, or expropriate any system, data, information, or property of another.

5. TRADEMARK OWNERSHIP. Granicus and Client's Trademarks are listed in the Trademark Information exhibit attached as Exhibit D.

5.1 Each Party shall retain all right, title and interest in and to their own Trademarks, including any goodwill associated therewith, subject to the limited license granted pursuant to Section 5.2 hereof. Upon any termination of this Agreement, each Party's right to use the other Party's Trademarks pursuant to this Section 5 terminates.

5.2 Each Party grants to the other a non-exclusive, non-transferable (other than as

provided in Section 5 hereof), limited license to use the other Party's Trademarks as is reasonably necessary to perform its obligations under this Agreement, provided that any promotional materials containing the other Party's Trademarks shall be subject to the prior written approval of such other Party, which approval shall not be unreasonably withheld.

6. LIMITATION OF LIABILITY

6.1 Warranty Disclaimer. Except as expressly provided herein, Granicus' services, software and deliverables are provided "as is" and Granicus expressly disclaims any and all express or implied warranties, including but not limited to implied warranties of merchantability, and fitness for a particular purpose. Granicus does not warrant that access to or use of its software or services will be uninterrupted or error free. In the event of any interruption, Granicus' sole obligation shall be to use commercially reasonable efforts to restore access.

6.2 Limitation of Liabilities. To the maximum extent permitted by applicable law, Granicus and its suppliers and licensors shall not be liable for any indirect, special, incidental, consequential, or punitive damages, whether foreseeable or not, including but not limited to: those arising out of access to or inability to access the services, software, content, or related technical support; damages or costs relating to the loss of profits or revenues, goodwill, data (including loss of use or of data, loss or inaccuracy or corruption of data), or cost of procurement of substitute goods, services or technology, even if advised of the possibility of such damages and even in the event of the failure of any exclusive remedy. In no event will Granicus' and its suppliers' and licensors' liability exceed the total amount of Managed Services Fees paid by Client under this Agreement for the six (6) month period prior to the date the claim arose, regardless of the form of the claim (including without limitation, any contract, product liability, or tort claim (including negligence, statutory or otherwise).

7. CONFIDENTIAL INFORMATION & OWNERSHIP.

7.1 Confidentiality Obligations. Each party agrees to keep confidential and not disclose to any third party, and to use only for purposes of performing or as otherwise permitted under this Agreement, any Confidential Information of the other Party. The receiving party shall protect the Confidential Information using measures similar to those it takes to protect its own confidential and proprietary information of a similar nature but not less than reasonable measures. Each party agrees not to disclose the Confidential Information to any of its Representatives except those who are required to have the Confidential Information in connection with this Agreement and then only if such Representative is either subject to a written confidentiality agreement or otherwise subject to fiduciary obligations of confidentiality that cover the confidential treatment of the Confidential Information.

7.2 Exceptions. The obligations of this Section 7 shall not apply if receiving party can prove by appropriate documentation that such Confidential Information (i) was known to the receiving party as shown by the receiving party's files at the time of disclosure thereof, (ii) was already in the public domain at the time of the disclosure thereof, (iii) entered the public domain through no action of the receiving party subsequent to the time of the disclosure thereof, or (iv) is required by law or government order to be disclosed by the receiving party, provided that the receiving party shall (i) if permitted by applicable law, notify the disclosing party in writing of such required disclosure as soon as reasonably possible prior to such disclosure, (ii) use its commercially reasonable efforts at its expense to cause such disclosed Confidential Information to be treated by such governmental authority as trade secrets and as confidential.

8. TERM

8.1 The term of this Agreement shall commence on the date hereof and shall continue in full force and effect for thirty-six (36) months after the date hereof. This Agreement shall automatically renew in perpetuity for terms of one (1) year each, unless either party notifies the other in writing at least thirty (30) days prior to such automatic renewal that the party does not wish to renew this Agreement.

8.2 Rights Upon Termination. Upon any expiration or termination of this Agreement, and unless otherwise expressly provided in an exhibit to this Agreement:

(a) Client's right to access or use the Granicus Solution, including Granicus Software, terminates and Granicus has no further obligation to provide any services;

(b) Client shall immediately return the Granicus Software and all copies thereof to Granicus, and within thirty (30) days of termination, Client shall deliver a written certification to Granicus certifying that it no longer has custody of any copies of the Granicus Software.

(c) Client shall refer to Exhibit E for the four (4) termination/expiration options available regarding Content.

8.3 Obligations Upon Termination. Upon any termination of this Agreement,

(a) the parties shall remain responsible for any payments that have become due and owing up to the effective date of termination;

(b) the provisions of 2.1, 2.4, 3, 4, 5, 6., 7, 8.2, 11, and 12 of the Agreement, and applicable provisions of the exhibits intended to survive, shall survive termination of this Agreement and continue in full force and effect;

(c) pursuant to the termination or expiration options regarding Content as set forth on Exhibit E, Granicus shall allow the Client limited access to the Client's Content, including, but not limited to, all video recordings, timestamps, indices, and cross-referenced documentation. The Client shall also have the option to order hard copies of the Content in the form of compact discs or other equivalent format; and

(d) Granicus has the right to delete Content within sixty (60) days of the expiration or termination of this Agreement.

9. PATENT, COPYRIGHT AND TRADE SECRET INFRINGEMENT.

9.1 Granicus' Options. If the Granicus Software becomes, or in Granicus' opinion is likely to become, the subject of an infringement claim, Granicus may, at its option and sole discretion, (i) obtain for Client the right to continue to use the Granicus Software as provided in this Agreement; (ii) replace the Granicus Software with another software product that provides similar functionality; or (iii) if Granicus determines that neither of the foregoing options are reasonably available, Granicus may terminate this Agreement and refund any prepaid fees to Client for which it has not received the services.

10. INTERLOCAL AGREEMENT.

10.1 This Agreement may be extended for use by other municipalities, school districts and governmental agencies upon execution of an addendum or other signed writing setting forth all of the terms and conditions for such use, including the products and services and fees applicable thereto. Any such usage by other entities must be in accordance with the City Code, Charter and/or procurement rules and regulations of the respective governmental entity.

11. MISCELLANEOUS.

11.1 Amendment and Waiver. This Agreement may be amended, modified, waived or canceled only in writing signed by each of the parties hereto or, in the case of a waiver, by the party waiving compliance. Any failure by either party to strictly enforce any provision of this Agreement will not be a waiver of that provision or any further default.

11.2 Governing Law. The laws of the State of California shall govern the validity, construction, and performance of this Agreement, without regard to its conflict of law principles.

11.3 Construction and Severability. Wherever possible, each provision of this Agreement shall be interpreted so that it is valid under applicable law. If any provision of this Agreement is held illegal or unenforceable, that provision will be reformed only to the extent necessary to make the provision legal and enforceable; all remaining provisions continue in full force and effect.

11.4 Independent Contractors. The parties are independent contractors, and no other relationship is intended by this Agreement.

11.5 Force Majeure. Other than payment obligations, neither party is responsible for any delay or failure in performance if caused by any event outside the reasonable control of the party, including without limitation acts of God, government regulations, shortage of supplies, act of war, act of terrorism, earthquake, or electrical, internet or telecommunications outage.

11.6 Closed Captioning Services. Client and Granicus may agree that a third party will provide closed captioning or transcription services under this Agreement. In such case, Client expressly understands that the third party is an independent contractor and not an agent or employee of Granicus. Granicus is not liable for acts performed by such independent third party.

12. DEFINITIONS. In addition to terms defined elsewhere in this Agreement, the following terms shall have the meaning specified:

12.1 "Confidential Information" shall mean all proprietary or confidential information disclosed or made available by either party pursuant to this Agreement, directly or indirectly, in any manner whatsoever (including without limitation, in writing, orally, electronically, or by inspection), that is identified as confidential or proprietary at the time of disclosure or is of a nature that should reasonably be considered to be confidential, and includes but is not limited to the terms and conditions of this Agreement, and all business, technical and other information (including without limitation, all product, services, financial, marketing, engineering, research and development information, product specifications, technical data, data sheets, software, inventions, processes, training manuals, know-how and any other information or material); provided, however, that Confidential Information shall not include the Content that is to be published on the Client Website.

12.2 "Content" shall mean any and all, documents, graphics, video, audio, images, sounds and other content that is streamed or otherwise transmitted or provided by, or on behalf of, the Client to Granicus.

12.3 "Client Website" shall mean the Client's existing websites.

12.4 "Granicus Application Programmatic Interface" shall mean the Granicus interface which is used to add, update, extract, or delete information in MediaManager.

12.5 "Granicus Solution" shall mean the Solution detailed in the Proposal, which may include Granicus Software, Installation and Training, Managed Services, and Hardware, as specified in Exhibit A.

12.6 "Granicus Software" shall mean all software included with the Granicus Solution as specified in the attached Proposal that may include but is not limited to: MediaManager™ (includes Uploader, Software Development Kit, and Podcasting Services), MinutesMaker™ (includes LiveManager), MobileEncoder™, VotingSystem™ (includes Public Vote Display).

12.7 "Hardware" shall mean the equipment components of the Granicus Solution, as listed in Exhibit A.

12.8 "Managed Services" shall mean the services provided by Granicus to Client for bandwidth usage associated with live and archived Internet streaming, data storage, and Granicus Solution maintenance, upgrades, parts, customer support services, and system monitoring, as detailed in the Proposal attached as Exhibit A.

12.9 "Managed Services Fee" shall mean the monthly cost of the Managed Services, as specified in Exhibit A.

12.10 "Meeting Body" shall mean a unique board, commission, agency, or council body comprised of appointed or elected officials that meet in a public capacity with the objective of performing decisions through a democratic voting process (typically following Robert's Rules of Order). Two or more Meeting Bodies may be comprised of some or all of the same members or officials but may still be considered separate and unique Meeting Bodies at Granicus' sole discretion. For example, committees, subcommittees, city councils, planning commissions, parks and recreation departments, boards of supervisors, school boards/districts, and redevelopment agencies may be considered separate and unique individual Meeting Bodies at Granicus' sole discretion.

12.11 "Proposal" shall mean the document where the Granicus Solution that is the object of this Agreement is described along with pricing and training information.

12.12 "Representatives" shall mean the officers, directors, employees, agents, attorneys, accountants, financial advisors and other representatives of a party.

12.13 "Trademarks" shall mean all trademarks, trade names and logos of Granicus and Client that are listed on Exhibit D attached hereto, and any other trademarks, trade names and logos that Granicus or Client may specify in writing to the other party from time to time.

This Agreement consists of this Agreement as well as the following exhibits, which are incorporated herein by reference as indicated:

Exhibit A:	Proposal
Exhibit B:	Current Solution
Exhibit C:	Support Information
Exhibit D:	Hardware Exhibit
Exhibit E:	Trademark Information
Exhibit F:	Termination or Expiration Options Regarding Content

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives,

GRANICUS, INC.

By: _____

Jason Fletcher

Its: Chief Executive Officer

Address:

707 17th Street, Suite 4000

Denver, CO 80202

CITY OF LODI, A MUNICIPAL CORPORATION

By: _____

Name: _____

Its: _____

Address:

Date: _____

Approved as to form

City Attorney

THIS IS NOT AN INVOICE

Order Form
Prepared for
Lodi, CA

Granicus Proposal for Lodi, CA

ORDER DETAILS

Prepared By:	Maria Murillo
Phone:	
Email:	maria.murillo@granicus.com
Order #:	Q-523368
Prepared On:	08 Apr 2026
Expires On:	18 Apr 2026

ORDER TERMS

Currency:	USD
Payment Terms:	Net 30 (Payments for subscriptions are due at the beginning of the period of performance.)
Current Subscription End Date:	31 May 2026
Initial Order Term End Date:	31 May 2029
Period of Performance:	01 Jun 2026 - 31 May 2027

PRICING SUMMARY

The pricing and terms within this Proposal are specific to the products and volumes contained within this Proposal.

Renewing Subscription Fees			
Solution	**Billing Frequency**	**Quantity/Unit**	**Annual Fee**
Open Platform Suite	Annual	1 Each	$0.00
Boards and Commissions	Annual	1 Each	$9,751.20
Government Transparency Suite	Annual	1 Each	$29,455.90
Granicus Encoding Appliance Software (GT)	Annual	1 Each	$3,719.17
Upgrade to SDI 720p Streaming	Annual	1 Each	$1,768.93
Legistar	Annual	1 Each	$12,486.46
Open Platform Suite	Annual	1 Each	$0.00
Send Agenda (Legistar)	Annual	1 Each	$0.00
govDelivery for Integrations	Annual	1 Each	$0.00
		SUBTOTAL:	**$57,181.66**

FUTURE YEAR PRICING

Solution(s)	Period of Performance	
	01 Jun 2027 - 31 May 2028	01 Jun 2028 - 31 May 2029
Open Platform Suite	$0.00	$0.00
Boards and Commissions	$10,726.32	$11,798.95
Government Transparency Suite	$32,401.49	$35,641.64
Granicus Encoding Appliance Software (GT)	$4,091.09	$4,500.20
Upgrade to SDI 720p Streaming	$1,945.82	$2,140.41
Legistar	$13,735.11	$15,108.62
Open Platform Suite	$0.00	$0.00
Send Agenda (Legistar)	$0.00	$0.00
govDelivery for Integrations	$0.00	$0.00
SUBTOTAL:	**$62,899.83**	**$69,189.82**

PRODUCT UPDATES

FOR INFORMATION ON RECENT AND UPCOMING PRODUCT ENHANCEMENTS ACROSS THE GRANICUS PORTFOLIO, PLEASE REFER TO THE SEMIANNUAL UPDATE INFORMATION ON THIS WEBPAGE:
: HTTPS://GRANICUS.COM/SEMIANNUAL-UPDATES/

PRODUCT DESCRIPTIONS

Solution	Description
Open Platform Suite	Open Platform is access to MediaManager, upload of archives, ability to post agendas/documents, and index of archives. These are able to be published and accessible through a searchable viewpage.
Boards and Commissions	Boards and Commissions is a Software-as-a-Service (SaaS) solution that enables government organizations to simplify the citizen application and appointment to boards process of the clerk's office. Boards and Commissions includes: • Unlimited user accounts • Unlimited boards, commissions, committees, and subcommittees • Unlimited storage of citizen applications • Access to up to one (1) Boards and Commissions site • Access to customizable, embeddable iFrame websites for displaying information to citizens • Access to a customizable online citizen application form including board-specific questions • Customizable forms for board details, appointment details, and internal tracking details • Pre-designed document PDFs for applications, board details and rosters, and vacancy reports • Downloadable spreadsheets for easy reporting *Optional custom templates for document or report generation may also be purchased for an additional fee.*
Government Transparency Suite	Government Transparency are the live in-meeting functions. Streaming of an event, pushing of documents, and indexing of events.
Granicus Encoding Appliance Software (GT)	Granicus Encoding Appliance Software (GT) This includes the LiveManager Software solution where webcasts are started/stopped, agendas amended and indexed, votes and attendance recorded, and minutes created.

Solution	Description
Upgrade to SDI 720p Streaming	Upgrade to SDI 720p Streaming (requires Digital encoder and HD feed)
Legistar	Legistar is a Software-as-a-Service (SaaS) solution that enables government organizations to automate the entire legislative process of the clerk's office. Clerks can leverage Legistar to easily manage the entire legislative process from drafting files, through assignment to various departments, to final approval. Legistar includes: • Unlimited user accounts • Unlimited meeting bodies and meeting types • Unlimited data storage and retention • Up to one (1) Legistar database • Up to one (1) InSite web portal
Open Platform Suite	Open Platform is access to MediaManager, upload of archives, ability to post agendas/documents, and index of archives. These are able to be published and accessible through a searchable viewpage.
Send Agenda (Legistar)	Send Agenda is dependent on an active subscription to the relevant govMeetings agenda.
govDelivery for Integrations	Send notification bulletins directly to constituents who subscribe to receive updates directly through Granicus (powered by govDelivery). Receive a monthly metrics report delivered via email to show subscriber growth and engagement activity for the past month of bulletin sends, and grow subscribers through access to the Granicus Advanced Network. Note: govDelivery integrations is dependent on an active subscription to the relevant govMeetings agenda or govAccess CMS solutions.

GRANICUS ADVANCED NETWORK AND SUBSCRIBER INFORMATION

- **Granicus Communications Suite Subscriber Information.**
  - Data provided by the Client and contact information gathered through the Client's own web properties or activities will remain the property of the Client ('Direct Subscriber'), including any and all personally identifiable information (PII). Granicus will not release the data without the express written permission of the Client, unless required by law.
  - Granicus shall: (i) not disclose the Client's data except to any third parties as necessary to operate the Granicus Products and Services (provided that the Client hereby grants to Granicus a perpetual, non-cancelable, worldwide, non-exclusive license to utilize any data, on an anonymous or aggregate basis only, that arises from the use of the Granicus Products by

the Client, whether disclosed on, subsequent to, or prior to the Effective Date, to improve the functionality of the Granicus Products and any other legitimate business purpose, including the right to sublicense such data to third parties, subject to all legal restrictions regarding the use and disclosure of such information).

- **Data obtained through the Granicus Advanced Network.**
  - Granicus offers a SaaS product, known as the Communications Cloud, that offers Direct Subscribers recommendations to subscribe to other Granicus Client's digital communication (the 'Advanced Network'). When a Direct Subscriber signs up through one of the recommendations of the Advanced Network, that subscriber is a 'Network Subscriber' to the agency it subscribed to through the Advanced Network.
  - Network Subscribers are available for use while the Client is under an active subscription with Granicus. Network Subscribers will not transfer to the Client upon termination of any Granicus Order, SOW, or Exhibit. The Client shall not use or transfer any of the Network Subscribers after termination of its Order, SOW, or Exhibit placed under this agreement. All information related to Network Subscribers must be destroyed by the Client within 15 calendar days of the Order, SOW, or Exhibit placed under this agreement terminating.
  - Opt-In. During the last 10 calendar days of the Client's subscription, the Client may send an opt-in email to Network Subscribers that shall include an explanation of the Client's relationship with Granicus terminating and that the Network Subscribers may visit the Client's website to subscribe to further updates from the Client in the future. Any Network Subscriber that does not opt-in will not be transferred with the subscriber list provided to the Client upon termination.

TERMS & CONDITIONS

- This quote, and all products and services delivered hereunder are governed by the terms located at https://granicus.com/legal/licensing, including any product-specific terms included therein (the "License Agreement"). If your organization and Granicus has entered into a separate agreement or is utilizing a contract vehicle for this transaction, the terms of the License Agreement are incorporated into such separate agreement or contract vehicle by reference, with any directly conflicting terms and conditions being resolved in favor of the separate agreement or contract vehicle to the extent applicable.
- If submitting a Purchase Order, please include the following language: The pricing, terms and conditions of quote Q-523368 dated 08 Apr 2026 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.
- This quote is exclusive of applicable state, local, and federal taxes, which, if any, will be included in the invoice. It is the responsibility of Lodi, CA to provide applicable exemption certificate(s).
- Any lapse in payment may result in suspension of service and will require the payment of a setup fee to reinstate the subscription.

BILLING INFORMATION

Billing Contact:		**Purchase Order Required?**	[ ] - No [ ] - Yes
Billing Address:		**PO Number:** *If PO required*	
Billing Email:		**Billing Phone:**	

If submitting a Purchase Order, please include the following language:
The pricing, terms, and conditions of quote Q-523368 dated 08 Apr 2026 are incorporated into this Purchase Order by reference and shall take precedence over any terms and conditions included in this Purchase Order.

AGREEMENT AND ACCEPTANCE

By signing this document, the undersigned certifies they have authority to enter the agreement. The undersigned also understands the services and terms.

Lodi, CA	
Signature:	
Name:	
Title:	
Date:	

RESOLUTION NO. 2026-____

A RESOLUTION AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AMENDMENT NO. 4 TO SERVICE AGREEMENT WITH GRANICUS, LLC, A MINNESOTA COMPANY, TO EXTEND THE CONTRACT FOR A THREE-YEAR TERM IN THE AMOUNT OF $ 189,271.31

==========

WHEREAS, on June 18 2015, the City entered into a service agreement with Granicus, Inc., for the Government Transparency Suite to publish agendas and minutes for Council meetings. Resolution No. 2015-140 authorized the City to auto-renew the agreement annually subject to an annual cost not to exceed the sum of $30,000; and

WHEREAS, on October 9, 2019, Amendment No. 1 was executed to update the City's encoders for streaming of City Council meetings; and

WHEREAS, on October 12, 2021, Amendment No. 2 was executed through Resolution No. 2021-236, to increase the annual renewal not to exceed amount from $30,000 to $50,000; and

WHEREAS, on February 28, 2023, Amendment No. 3 was executed through Resolution No. 2022-265, to add agenda management product, Legistar, to existing products and services; and

WHEREAS, the addition of the agenda management platform caused the renewal dates to become staggered and the City now desires to combine all Granicus products under one contract and extend the term of the contract for three years, for an amount of $189,271.31.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Interim City Manager to execute Amendment No. 4 to Granicus, LLC agreement for a three-year term for an amount of $189,271.31; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026 by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing Interim City Manager to Execute Amendment No. 4 with Complete Paperless Solutions for Records Management Services for a Total not to Exceed $74,332.10 (CLK)

MEETING DATE:
May 20, 2026

PREPARED BY:
Olivia Nashed, City Clerk

RECOMMENDED ACTION:
Adopt a Resolution Authorizing Interim City Manager to Execute Amendment No. 4 with Complete Paperless Solutions for Records Management Services for a Total not to Exceed $74,332.10.

BACKGROUND INFORMATION:
Complete Paperless Solutions ("CPS") provides software support services for the City's electronic records management system.

On June 8, 2016, the City entered into a three-year Professional Services Agreement with CPS. Per Resolution No. 2016-85, the City Council authorized the City to execute two one-year extensions to the contract.

On June 6, 2019, Amendment No. 1 was executed between the City and CPS to extend the life of the agreement for one year with an additional one-year extension option.

On July 1, 2021, Amendment No. 2 was executed between the City and CPS to extend the agreement for an additional year.

On January 24, 2022, Amendment No. 3 was executed between the City and CPS to extend the agreement to June 30, 2026 and add two additional access licenses to the City's electronic records management system.

CPS has been an excellent partner to the City, providing valuable insight on product efficiency and exceptional customer service to City staff. Therefore, the City Clerk's Office now desires to extend the term of the agreement an additional year to continue access and support services of the City's electronic records management system. There's $2,958 remaining on the contract and total cost of the annual renewal is $5,336.10.

Staff requests Council authorize the Interim City Manager to execute Amendment No. 4 to the Professional Services Agreement to Complete Paperless Solutions and add funds of $2,378.10 to the agreement.

FISCAL IMPACT:
Total cost of Amendment No. 4 is $5,336.10. There are $2,958 remaining on the current agreement; therefore,

only $2,378.10 must be added to the agreement in order to execute Amendment No. 4.

FUNDING AVAILABLE:
10005000.27313 - City Clerk Information System Software

AMENDMENT NO. 4
COMPLETE PAPERLESS SOLUTIONS, LLC

AGREEMENT FOR PROFESSIONAL SERVICES

This AMENDMENT NO. 4 TO AGREEMENT FOR PROFESSIONAL SERVICES ("Amendment No. 4"), is made and entered this ___ day of _____, 2026, by and between the CITY OF LODI, a municipal corporation, hereinafter called "CITY", and COMPLETE PAPERLESS SOLUTIONS, LLC, a California limited liability company, hereinafter called "CONTRACTOR".

W I T N E S S E T H:

1. WHEREAS, CONTRACTOR and CITY entered into an Agreement for Professional Services to provide support services for records management software on June 8, 2016, Contract Amendment No. 1 on June 6, 2019, Contract Amendment No. 2 on July 1, 2021, and Contract Amendment No. 3 on January 24, 2022 (collectively the "Agreement"), attached hereto as Exhibit 1 and made a part hereof; and

2. WHEREAS, CITY now requests to extend the term of the Agreement through June 30, 2027; and

3. WHEREAS, CITY also requests to add additional funds in an amount not to exceed $2,378.10, for a total Agreement amount not-to-exceed $74,332.10, attached as Exhibit 2 and incorporated herein; and

4. WHEREAS, CITY and CONTRACTOR agree to said amendments.

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

AARON M. BUSCH
Interim City Manager

ATTEST:

OLIVIA NASHED
City Clerk

COMPLETE PAPERLESS SOLUTIONS, LLC,
a California limited liability company

CLAUDE SCHOTT
Vice President of Sales

APPROVED AS TO FORM:

JOHN M. LUEBBERKE
Interim City Attorney

Exhibit I to Amendment No. 4

CONTRACT AMENDMENT NO. 3

Complete Paperless Solutions, LLC

THIS CONTRACT AMENDMENT NO. 3 is made and effective this 24th day of January, 2022, by and between the CITY OF LODI, a municipal corporation, hereinafter called "CITY", and Complete Paperless Solutions, LLC, a California Limited Liability Corporation hereinafter called "CONTRACTOR."

WITNESSETH

1. CONTRACT: Contractor and City entered in an Agreement for Professional Services on June 8, 2016, Contract Amendment No. 1, entered into on June 6, 2019, and Contract Amendment No. 2, entered into on July 1, 2021, 2022, collectively attached hereto as Exhibit A and made a part hereof as though fully set forth herein ("Agreement").

2. Contractor and City now desire to extend the term of the Agreement through and including June 30, 2026.

3. TERMS AND CONDITIONS: All other terms and conditions of the Agreement will remain unchanged, including compensation to be paid to Contractor as set forth in Exhibit B of the Agreement.

CITY OF LODI, a municipal corporation

STEPHEN SCHWABAUER
City Manager

CONTRACTOR

Claude Schott

Digitally signed by Claude Schott
DN: cn=Claude Schott, o=Complete Paperless Solutions, ou, email=cschott@cps247.com, c=US
Date: 2022.01.20 13:04:27 -08'00'

COMPLETE PAPERLESS SOLUTIONS, LLC

By: Claude Schott

Title: CFO

Attest:

PAMELA M. FARRIS
Assistant City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney

CONTRACT AMENDMENT NO. 2

Complete Paperless Solutions, LLC

THIS CONTRACT AMENDMENT NO. 2 is made and effective this 1st day of July 2021, by and between the CITY OF LODI, a municipal corporation, hereinafter called "CITY", and Complete Paperless Solutions, LLC, a California Limited Liability Corporation hereinafter called "CONTRACTOR."

WITNESSETH

1. CONTRACT: Contractor and City entered in an Agreement for Professional Services on June 8, 2016, and Contract Amendment No. 1, entered into on June 6, 2019, collectively attached hereto as Exhibit A and made a part hereof as though fully set forth herein ("Agreement"). Contractor and City now desire to extend the term of the Agreement through and including June 30, 2021, pursuant to Section 2.7 of the Agreement.

2. TERMS AND CONDITIONS: All other terms and conditions of the Agreement will remain unchanged, including compensation to be paid to Contractor as set forth in the Agreement.

CITY OF LODI, a municipal corporation

STEPHEN SCHWABAUER
City Manager

CONTRACTOR

Claude Schott

Digitally signed by Claude Schott
DN: cn=Claude Schott, o=Complete Paperless Solutions, ou, email=cschott@cps247.com, c=US
Date: 2022.01.06 07:51:05 -08'00'

COMPLETE PAPERLESS SOLUTIONS, LLC

By: Claude Schott

Title: CFO

Attest:

Pamela M. Farris

~~JENNIFER CUSMIR~~
~~City Clerk~~ Pamela M. Farris
Assistant City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney

CONTRACT AMENDMENT No. 1

Complete Paperless Solutions, LLC

THIS CONTRACT AMENDMENT No. 1 is made and effective this 6th day of ~~July~~ June, 2019, by and between the CITY OF LODI, a municipal corporation, hereinafter called "CITY", and Complete Paperless Solutions, LLC, a California Limited Liability Corporation hereinafter called "Contractor."

WITNESSETH:

1. CONTRACT: Contractor and City, entered into an Agreement for Professional Services on June 8, 2016 ("Agreement"), attached hereto as Exhibit A and made a part hereof as though fully set forth herein. Contractor and City now desire to extend the term of the Agreement through and including June 30, 2020.

2. TERM AND TERM: Contractor and City agree, that at its option, City may extend the term of the Agreement for an additional one (1) one (1) year extensions; provided City gives Contractor no less than thirty (30) days written notice of its intent prior to the expiration of the then existing term.

3. TERMS AND CONDITIONS: All other terms and conditions of the Agreement will remain unchanged, including compensation to be paid to Contractor as set forth in the Agreement.

CITY OF LODI, a municipal corporation

STEPHEN SCHWABAUER
City Manager

Attest:

JENNIFER M. FERRAIOLO
City Clerk

Approved as to Form:

JANICE D. MAGDICH
City Attorney

CONTRACTOR

COMPLETE PAPERLESS SOLUTIONS, LLC

By: Claude Schott

Title: CFO

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on June 8, 2016, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and COMPLETE PAPERLESS SOLUTIONS, LLC, a California Limited Liability Corporation, (CPS) (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 Electronic Content Management System, Software Support, and Implementation Services using Laserfiche Software (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 June 15, 2016 and terminates upon the completion of the Scope of Services or on June 30, 2019, 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 five (5) 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.

CS

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: Jennifer M. Ferraiolo, City Clerk

To CONTRACTOR:
Complete Paperless Solutions
4025 E. La Palma Avenue, Suite 204
Anaheim, CA 92807
Attn: Claude Schott, Vice President of Sales

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. FERRAIOLO
City Clerk

STEPHEN SCHWABAUER
City Manager

APPROVED AS TO FORM:
JANICE D. MAGDICH, City Attorney

By: _____

COMPLETE PAPERLESS SOLUTIONS, LLC

By: _____
Name: CLAUDE SCHOTT
Title: Vice President of Sales

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

Exhibit 2

INVOICE

Complete Paperless Solutions, LLC
20264 Carrey Rd
Walnut, CA 91789-2302

cschott@cps247.com
+1 (866) 661-2425

Complete Paperless Solutions

Bill to
Olivia Nashed
City of Lodi
PO Box 3006
Lodi, CA 95241-1910

Invoice details
Invoice no.: 4695
Invoice date: 01/05/2026
Due date: 01/28/2026

#	Date	Product or service	SKU	Description	Qty	Rate	Amount
1.		**MATX16B**	MATX16B	Laserfiche LSAP Advanced Audit Trail with Watermark	6	$22.05	$132.30
2.		**MNF16B**	MNF16B	Laserfiche LSAP Full Name User	6	$132.30	$793.80
3.		**MPP1B**		Laserfiche Starter Public Portal Basic LSAP	1	$3,307.50	$3,307.50
4.		**MSE30B**		Laserfiche Basic LSAP Avante Server MS SQL	1	$1,102.50	$1,102.50

Total **$5,336.10**

Ways to pay

VISA DISCOVER AMEX PayPal venmo

Note to customer

Laserfiche software support renewal for the period of January 29, 2026 to January 28, 2027. No tangible software item will be delivered. Electronic download only.

View and pay

RESOLUTION NO. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AMENDMENT NO. 4 TO PROFFESSIONAL SERVICES AGREEMENT WITH COMPLETE PAPERLESS SOLUTIONS TO EXTEND TERM FOR ONE YEAR AND ADD FUNDS IN THE AMOUNT OF $2,378.10 FOR A TOTAL NOT TO EXCEED $74,332.10

==========

WHEREAS, Complete Paperless Solutions ("CPS") provides software support services for the City's electronic records management system.; and

WHEREAS, on June 8, 2016, the City entered into a three-year Professional Services Agreement with CPS. Per Resolution No. 2016-85, the City Council authorized the City to execute two one-year extensions to the contract; and

WHEREAS, On June 6, 2019, Amendment No. 1 was executed between the City and CPS to extend the life of the agreement for one year with an additional one-year extension option; and

WHEREAS, On July 1, 2021, Amendment No. 2 was executed between the City and CPS to extend the agreement for an additional year; and

WHEREAS, On January 24, 2022, Amendment No. 3 was executed between the City and CPS to extend the agreement to June 30, 2026 and add two additional access licenses to the City's electronic records management system; and

WHEREAS, the City now desires to extend the term of the agreement for an additional year to continue access and support services of the City's electronic records management system. The additional year of support services by CPS will cost $5,336.10 and there are remaining funds on the agreement in the amount of $2,958.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Interim City Manager to execute Amendment No. 4 to the Professional Services Agreement to Complete Paperless Solutions and add funds of $2,378.10 to the agreement; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Authorize City Clerk to Grant Request for Leave to Present Late Claim, by Misheel Chuluun, Pursuant to Government Code Section 911.6(a) (CA)

MEETING DATE:
May 6, 2026

PREPARED BY:
Beverly Jensen, Risk Manager

RECOMMENDED ACTION:
Authorize the City Clerk to grant request for Leave to Present Late Claim, filed by Misheel Chuluun pursuant to Government Code Section 911.6(a).

BACKGROUND INFORMATION:
Request for Leave to Present Late Claim was filed with the City Clerk by Misheel Chuluun on March 23, 2026, pursuant to Government Code Section 911.4. A copy of the request to file a late claim, initial submittals and City's rejection notices are attached. The original submittal was filed approximately three weeks after the expiration of the statutory period in which the claim was to have been filed, based on the April 17, 2025 date of loss. Government Code Section 911.2 requires that claims against public entities, with limited exception, be filed within six months of the accrual of the action giving rise to the claim, which in this instance would have been October 17, 2025. Ms. Chuluun submitted her claim on November 3, 2025, which was rejected as untimely on November 7, 2025. Subsequently, On March 23, 2026 Ms. Chuluun filed an application of leave to present late claim with the City Clerk.

Statutory exceptions to the claim filing requirements include failure to present the claim through mistake, inadvertence, surprise or excusable neglect with no resulting prejudice to the public entity; the injured party was physically or mentally incapacitated during the claim filing period; and the minority or death of the injured party.

Ms. Chuluun's application has presented information sufficient to satisfy the statutory element of mistake, inadvertence, surprise, or excusable neglect (coupled with a lack of prejudice to the City) for the submittal of a late claim. Therefore, it is recommended that the Council authorize the City Clerk to grant the request of Misheel Chuluun to present a late claim pursuant to Government Code section 911.6(a).

Upon Council approval of the application for leave to present a late claim, the matter will proceed through the normal claims administration process. This includes investigation of the allegations, evaluation of liability and damages, and determination of whether the claim can be resolved administratively or if further legal proceedings may follow under the Government Claims Act.

LIST OF ATTACHMENTS;
Attachment 1- Request to File Late Claim

Attachment 2- Claim 25-88
Attachment 3- Notice of Late Claim

FISCAL IMPACT:
Not Applicable.

FUNDING AVAILABLE:
Not Applicable.

RECEIVED
MAR 23 2026
CITY CLERK

March 2, 2026

To: City of Lodi
Finance Department/City Clerk
221 W Pine St
Lodi, CA 95240

APPLICATION FOR LEAVE TO PRESENT A LATE CLAIM - Per California Government Code §911.4, Resubmitted Government Claim

The claimant did not file within six months but instead filed within seven months because the claimant raised the issue directly with the City of Lodi Streets Department and Finance Department shortly after the incident (same business day, and then followed up again within two business days) and was awaiting requested documentation and clarification from the City. The claimant provided written complaint via email, and then was informed of options to file formally by the Finance Department and option to resolve via only the documents given by the Streets Department.

Thereafter the claimant was in three rounds of communication with the State of California Department of Motor Vehicle (DMV) administration via mail, which took months for responses to arrive and follow up for each round, paid additional taxes to try to obtain a legal title. The claimant reasonably believed the matter was under review and might be resolved without litigation.

Once it became clear that the issue would not be resolved informally with the City of Lodi and could not be resolved formally with State of California DMV, the claimant promptly prepared and submitted this claim at earliest available time for attention to this matter. From November of 2025 through late February 2026, the claimant's mother was hospitalized / intensive care at Hennepin County, Minnesota, then in Chicago, Illinois. The delay was the result of reasonable reliance and excusable neglect, not intentional delay.

This appeal is submitted within one year of the auction transaction that resulted in a legally unusable vehicle due to the City of Lodi failing to deliver the title to the vehicle, even though the claimant had paid in good faith all consideration, taxes, fees and dues, and incurred other buying costs in transferring the vehicle from California to Colorado.

Regards,

Misheel Chuluun,

[redacted]

FILE CLAIM WITH:
City Clerk – City of Lodi
221 West Pine Street
(209) 333-6702

OR MAIL TO:
PO Box 3006
Lodi, CA 95241-1910

CLAIM FOR MONEY OR DAMAGES AGAINST THE CITY OF LODI, CALIFORNIA

Reserved For Filing Stamp

Claim No. 25-48

RECEIVED

NOV 03 2025

CITY CLERK

Attach estimates, receipts, photos, diagrams, or witness statements to support your claim. If additional space is needed, attach supplemental sheets – clearly identify the section(s) being answered.

Government Code requires claims be presented by the claimant or the claimant's representative and include the following:

Section 1. Claimant Information:

Name: Misheel Chuluun

Mailing Address: [redacted]

City/State/Zip Code: [redacted] Telephone: [redacted]

Section 2. Representative Information (Must be completed if claim is filed by claimant's attorney or authorized representative):

Name: ✓ **Check box if same as above**

Mailing Address:

City/State/Zip Code: Telephone: ( )

Section 3. Claim Information:

Date of Occurrence: April 17, 2025 Time of Occurrence: 10:00 AM am/pm

Location: City of Lodi Public Works Department - 133 S. Ham Lane, Lodi, CA 95242

Circumstances giving rise to this claim and why you believe the City of Lodi is responsible:

Claim for $7,468.77 due to City's failure to provide title/ownership documents for a surplus vehicle purchased at auction, rendering the sale void. Despite full payment and repeated follow-ups. The City has not delivered the required REG 227 or title, leaving the vehicle unusable and untransferable.

General description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of the presentation of the claim.

I have incurred a financial loss of $6,268.77 for a vehicle I cannot use, register, insure, or resell due to the City of Lodi's failure to provide required ownership documents. I am also seeking $1,200. in compensation for the administrative burden and time spent attempting to resolve this issue, totaling in $7,468.77 in losses to date.

Name of City department(s) or City employee(s) causing the injury, damage, or loss, if known.

I still don't have ownership & no way to get it! 10.22.25

City of Lodi Public Works Department

1. Diego Delgado 2. Tess Rakoncza. 3. Matthew Sinclair

The amount claimed as of the date of presentation of the claim should include the estimated amount of any prospective injury, damage, or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed.

Basis for computation of claim: Amount Claimed: $ 7,468.77

$6,268.77 represents the full amount paid for a 2014 Dodge Grand Caravan (VIN:2C4RDGBGXER380153) purchased at public auction and rendered unusable due to the City's failure to provide title/ownership documents. An additional $1,200 is claimed for administrative time, effort, and related expenses incurred in repeated but unsuccessful attempts to resolve the matter.

If amount claimed exceeds $10,000: If the amount claimed exceeds ten thousand dollars ($10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case. A limited civil case is one where the recovery sought, exclusive of attorney fees, interest, and court costs does not exceed $25,000. An unlimited civil case is one in which the recovery sought is more than $25,000 (CCP §86.)

☐ Limited Civil Case ☐ Unlimited Civil Case

Revised 9/2012

[View City of Lodi Auctions]

[View Terms and Conditions]

Auction Started
Apr 3, 2025 10:04 AM MDT
Auction Ended
Apr 13, 2025 04:09 PM MDT

Pick-up Location
Municipal Service Center
[1331 S. Ham Lane Lodi, CA 95242]

Auction Contact
ELIZABET ALVARADO
(209) 269-4731

Payment
Money Order, Cashiers Check, Personal Check, Visa, MasterCard, Discover, Cash

Shipping
Buyer must pickup item(s)

Description

Year: 2014
Make: Dodge
Model: Grand Caravan
Mileage: 60340
VIN: 2C4RDGBGXER380153
Engine: 3.6 Li 6V
Transmission: 6 Automatic
Condition: FAIR

View Full VIN Report

SHOW ME THE CARFAX
View the CARFAX Report

Vehicle operates properly, slight ticking noise from engine.

THE CITY OFFERS NO GUARANTEES OR WARRANTIES REGARDING ITS SURPLUS PROPERTY. DETERMINATION OF CONDITION, FUNCTION, AND PERCEIVED OR ASSUMED VALUE IS THE SOLE RESPONSIBILTY OF THE BUYER. ALL SALES ARE FINAL.

Payment and Pick-up: Payment must be made within five (5) business days and removed within ten(10) business days of the date of the Notice of Award. All sales are subject to applicable State/Local Sales and/or Use Taxes, currently 8.25%, on non-vehicles, unless the buyer provides a valid tax-exempt certificate at the time of payment.

Shipping: Unless otherwise noted, all surplus property sold by City must be picked up at the MSC Warehouse. The City is not equipped to ship items, or prepare items for shipping.

Reproduction of Auction Materials: Bidders or PublicSurplus.com website users may reproduce or copy images, photographs, or descriptions of City's listings of its surplus property for personal use only.

Title to Vehicles and Equipment: The City will issue a title or certification of ownership, as appropriate, upon release of an item to the successful bidder. NOTE: Some of City's vehicles/equipment may be restricted from registration within the State of California and can only be sold to out of state buyers.

by PublicSurplus.com

I got neither!

CITY COUNCIL
Cameron Bregman, Mayor
Ramon Yepez, Mayor Pro Tempore
Mikey Hothi
Lisa Craig-Hensley
Alan Nakanishi

CITY OF Lodi CALIFORNIA

James Lindsay
Interim City Manager

Olivia Nashed
City Clerk

Katie O. Lucchesi
City Attorney

November 7, 2025

Ms. Misheel Chuluun
[redacted]

SUBJECT: NOTICE OF LATE CLAIM – REJECTION OF CLAIM
Claim: 25-48
Date Claim Rec'd.: November 3, 2025

Ms. Chuluun:

The above-referenced claim, which you presented to the City Clerk's Office on November 3, 2025, with respect to an incident occurring on April 17, 2025, is being rejected and returned because it was not presented within six months after the event and/or occurrence, as required by law (see Government Code Sections 901 and 911.2). Because the claim was not presented within the time allowed by law, no action was taken on the claim.

Your only recourse at this time is to apply without delay to the City of Lodi for leave to present a late claim (see Government Code Sections 911.4 to 912.2, inclusive, and Section 946.6). Under certain circumstances, leave to present a late claim may be granted (see Government Code Section 911.6).

You may seek the advice of an attorney of your choice in connection with this matter. If you desire to consult an attorney, you should do so immediately.

Sincerely,

Kaylee Clayton
Senior Administrative Clerk

cc: File

DECLARATION OF SERVICE BY MAIL
(Code Civ Pro §1013a)

I am a citizen of the United States, over the age of 18 years, and not a party to or interested in this action. I am an employee of the City of Lodi and my business address is 221 West Pine Street, Lodi, California 95240. On this date, November 7, 2025, I served the following document:

NOTICE OF REJECTION OF CLAIM
Claim 25-45 (Chuluun. Misheel)

☒ by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States Post Office mail at Lodi, California, addressed as set forth below.

☐ by personally delivering, or causing to be delivered a true copy thereof to the person and the address set forth below.

☐ by causing a true copy thereof to be delivered to the party or parties at then address(es) listed below, by and\or through the services of:

☐ Federal Express
☐ Express Mail
☐ FAX (Followed by First Class Mail)

Ms. Misheel Chuluun [redacted]	

I declare under penalty of perjury that the foregoing is true and correct and this declaration was executed at Lodi, California on November 7, 2025.

Kaylee Clayton
Senior Administrative Clerk

COUNCIL COMMUNICATION

AGENDA TITLE:
Accept Improvements Under Contract for Reimagined Housing on Main (Phase 2) (CD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Jennifer Rhyne, Neighborhood Services Manager

RECOMMENDED ACTION:
Accept Improvements Under Contract for Reimagined Housing on Main (Phase 2).

BACKGROUND INFORMATION:
On November 4, 2020, the City Council adopted the San Joaquin Community Response to Homelessness - 2020 San Joaquin Strategic Plan, which identified the need to expand homeless crisis response services and transitional housing opportunities within the region.

To support implementation of the Strategic Plan, the City pursued acquisition and rehabilitation of the property located at 22 South Main Street, now known as Reimagined Housing on Main. The project was developed to provide transitional and supportive housing opportunities paired with wraparound services for individuals experiencing or at risk of homelessness, including individuals with behavioral health needs.

Following a competitive bid process, the City Council awarded the construction contract to All About Building, Inc. on February 21, 2024, in the amount of $869,000 with $70,000 in change order authority.

Once phase 1 was completed, the City was awarded additional funding for phase 2 to complete the project and an additional $400,000 was added in change order authority.

All work was completed in substantial conformance with the plans and specifications approved by the City Council and applicable regulatory requirements. The final contract amount, including all change orders, totaled $1,338,837.61.

Change Order No. 1 ($44,773.35) included elevator area concrete improvements, framing and drywall modifications, restroom flooring upgrades, electrical conduit modifications, and painting throughout second floor.

Change Order No. 2 ($25,000.00) included additional framing and concrete improvements to support accessibility and building code requirements, third-floor preparation work, and revised painting scope adjustments.

Change Order No. 3 ($0.00) included a contract time extension associated with material and equipment procurement timelines.

Change Order No. 4 ($123,870.89) included design and installation of a new fire alarm system, electrical and telephone infrastructure improvements for elevator, unit preparation work, door and frame repairs, and painting of residential units and common areas.

Change Order No. 5 ($99,909.37) included installation of new ADA-compliant sidewalk improvements, flooring preparation and leveling, window repairs, plumbing and gas line repairs, framing and drywall repairs, and installation of a new fence for electrical panel.

Change Order No. 6 ($130,284.00) included replacement of second and third floor flooring, installation of new plywood underlayment and cove base, installation of approximately 10,000 square feet of flooring, and additional concrete and pavement improvements.

Change Order No. 7 ($46,000.00) included rear yard and landscape improvements, decorative rock and decomposed granite installation, and concrete improvements.

Change Order No. 8 ($0.00) included final inspections and final contract time adjustments associated with project completion.

Additionally, the City had design and installation of fire sprinklers by Cen-Cal Fire Systems, Inc. for $195,400 and purchase and installation of a lift elevator by Martin Elevators, DBA Nationwide Lifts for $150,000.

Following acceptance by the City Council, staff will file a Notice of Completion with the San Joaquin County Recorder's Office. The notice serves to notify vendors and subcontractors that the project is complete and begins the statutory period for filing stop notices related to payment disputes.

FISCAL IMPACT:
Project costs associated with the Reimagined Housing on Main project were previously allocated and appropriated as part of prior City Council actions and the current budget cycle utilizing dedicated grant and project funding sources. There is no impact to General Fund as the result of accepting this project.

FUNDING AVAILABLE:
Funding for the project was previously appropriated through a combination of Health Plan of San Joaquin HHIP Funds, Regional Early Action Planning (REAP) 2.0 Funds, and Community Project Funding (CPF).

Project String: HPSJ-23001.Contracts

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution of the Lodi City Council Accepting the Lodi Fire Department's Annual Compliance Report Regarding Hotel, Apartment, and School Inspections as Mandated by Senate Bill No. 1205 (FD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Ryan Smart, Fire Marshal

RECOMMENDED ACTION:
Adopt a Resolution of the Lodi City Council Accepting the Lodi Fire Department's Annual Compliance Report Regarding Hotel, Apartment, and School Inspections as Mandated by Senate Bill No. 1205.

BACKGROUND INFORMATION:
Senate Bill No.1205 mandates that every city fire department shall report annually to its administering authority on its compliance with the Health and Safety Code, Sections 13146.2 and 13146.3. The bill states that the report shall occur when the administering authority discusses its annual budget, or at another time determined by the administering authority.

The California State Fire Marshal mandates that certain occupancy types be inspected annually. These mandated occupancy types include private and public schools, hotels, motels, lodging houses, and apartment/condominium buildings. The purpose of annual fire inspections is to mitigate known hazards, reduce risk to the community, and ensure reasonable compliance with the California Fire Code. The Lodi Fire Department performs the mandated inspections, in addition to other inspections at local businesses, as part of the Department's prevention program. In 2025, the Lodi Fire Department inspected 100% of the state-mandated annual inspections within the calendar year.

California Health and Safety Code Section 13146.2 mandates that the local fire department inspect all hotels, motels, and lodging houses once annually. The Lodi Fire Department inspected nineteen (19) out of nineteen (19) hotels, motels, and lodging houses during the 2025 calendar year.

California Health and Safety Code Section 13146.2 mandates that the local fire department inspect all apartments once annually. The California Building Code also specifies that condominiums should be considered apartments for building code application. An apartment shall consist of three or more attached units, and excludes all duplex and townhome buildings as defined by code. The Lodi Fire Department inspected four hundred and thirty-seven (437) out of four hundred and thirty-seven (437) apartment/condominium complexes during the 2025 calendar year.

California Health and Safety Code Section 13146.3 mandates that the local fire department inspect all public and private schools once annually. The Lodi Fire Department inspected thirty-eight (38) out of thirty-eight (38) school facilities during the 2025 calendar year.

In total, the Lodi Fire Department conducted four hundred ninety-four (494) state-mandated inspections during the 2025 calendar year. Further, the acceptance of this compliance communication and the recommended Resolution fulfill the statutory requirements contained in California Health and Safety Code Sections 13146.2, 13146.3, and 13146.4, as amended by SB 1205. This resolution will complete all of the requirements set by the State of California for mandated inspections for the City. No further action is required.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

RESOLUTION NO. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL ACCEPTING THE LODI FIRE DEPARTMENT'S ANNUAL COMPLIANCE REPORT REGARDING HOTEL, APARTMENT, AND SCHOOL INSPECTIONS AS MANDATED BY SENATE BILL NO. 1205

==========

WHEREAS, Senate Bill No.1205 mandates that every city fire department shall report annually to its administering authority on its compliance with the Health and Safety Code, Sections 13146.2 and 13146.3; and

WHEREAS, in 2025, the Lodi Fire Department inspected one hundred percent (100%) of the state mandated annual inspections within the calendar year; and

WHEREAS, California Health and Safety Code Section 13146.2 mandates that the local fire department inspect all hotels, motels and lodging houses once annually. The Lodi Fire Department inspected nineteen (19) out of nineteen (19) hotels, motels and lodging houses during the 2025 calendar year; and

WHEREAS, California Health and Safety Code Section 13146.2 mandates that the local fire department inspect all apartments once annually. The California Building Code also specifies that condominiums should be considered apartments for building code application. An apartment shall consist of three or more attached units, and excludes all duplex and townhome buildings as defined by code. The Lodi Fire Department inspected four hundred and thirty-seven (437) out of four hundred and thirty-seven (437) apartment/condominium complexes during the 2025 calendar year; and

WHEREAS, California Health and Safety Code Section 13146.3 mandates that the local fire department inspect all public and private schools once annually. The Lodi Fire Department inspected thirty-eight (38) out of thirty-eight (38) school facilities during the 2025 calendar year; and

WHEREAS, in total, the Lodi Fire Department conducted four hundred ninety-four (494) state-mandated inspections during the 2025 calendar year.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby accept the Lodi Fire Department's Annual Compliance Report as mandated by Senate Bill No. 1205.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing the Interim City Manager to Execute Amendment No. 1 for the Professional Services Agreement with Mosaic Public Partners LLC, to Perform Recruitment Services for a Total Agreement Not-To-Exceed $72,500 (IS - HR)

MEETING DATE:
May 20, 2026

PREPARED BY:
James Peavey, Human Resources Manager

RECOMMENDED ACTION:
Adopt a resolution authorizing the Interim City Manager to execute Amendment No. 1 to the Professional Services Agreement ("Agreement") with Mosaic Public Partners LLC ("Mosaic") to perform recruitment services for a total agreement amount not-to-exceed $72,500.

BACKGROUND INFORMATION:
On September 3, 2025, Council approved Resolution 2025-147, authorizing the City Manager to establish an eligibility list for professional recruitment services and execute the professional service agreements with several recruitment firms, for the recruitment of future executive level, department head, and difficult to fill mid-management vacancies. Mosaic is on the eligibility list.

On October 30, 2025, the City entered into an agreement with Mosaic for a total not to exceed amount of $40,000 for recruitment services as well as additional outreach services for any applicable positions. Refer to Attachment 1 - Original Agreement Resolution.

Mosaic has completed the recent City Manager recruitment.

The recent City Attorney vacancy was unforeseen at the time the City entered into the Agreement with Mosaic. Based on Mosaic's satisfactory performance in conducting the City Manager recruitment, the City seeks to engage its services to conduct the City Attorney recruitment. Mosaic's quote to perform this recruitment is $31,000. Refer to Attachment 2 - Amendment 1 and Attachment 3 - Exhibit 1 to Amendment 1.

Staff recommend Council adopt a resolution authorizing the Interim City Manager to execute an amendment with Mosaic increasing the total Agreement amount not-to-exceed $72,500.

FISCAL IMPACT:
Council appointee recruitment $32,000
Outreach Services for marketing $9,500
Council appointee recruitment $31,000

FUNDING AVAILABLE:

Spent to date: $41,500 for appointee recruitment and outreach services. Funding is available through the FY 25/26 adopted budget.

RESOLUTION NO. 2025-147

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO ESTABLISH AN ELIGIBILTY LIST FOR PROFESSIONAL RECRUITMENT SERVICES AND EXECUTE THE PROFESSIONAL SERVICE AGREEMENTS WITH CPS HR CONSULTING, MOSAIC PUBLIC PARTNERS, AND TRIPEPI SMITH TALENT SOLUTIONS IN A FORM APPROVED BY THE CITY ATTORNEY FOR THE RECRUITMENT OF FUTURE EXECUTIVE LEVEL, DEPARTMENT HEAD, AND DIFFICULT-TO-FILL MID-MANAGEMENT VACANCIES

==========

WHEREAS, executive level recruitments, department head, and difficult-to-fill mid-management recruitments are labor-intensive due to a limited qualified labor pool; and

WHEREAS, the long lead time typically required for executive, department head, and hard-to-fill mid-management level recruitments necessitates the City to move as quickly as possible each time a vacancy occurs to minimize the impact of a vacancy on public service delivery and City operations; and

WHEREAS, the City released a Request for Proposals on July 17, 2025, for professional recruitment services and received nineteen proposals by the deadline; and

WHEREAS, an ad-hoc Interview Committee reviewed all proposals and interviewed five top ranking firms; and

WHEREAS, the Interview Committee recommended on-call agreements with CPS HR Consulting, Mosaic Public Partners, and Tripepi Smith Talent Solutions due to their extensive record of successfully recruiting for and placing talent in public agencies in California, including building a network of talent that they can directly tap into for future vacancies in Lodi.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager to:

1. Execute the Professional Service Agreements with CPS HR Consulting, Mosaic Public Partners, and Tripepi Smith Talent Solutions for on-call recruitment services in a form approved by the City Attorney for a total not to exceed amount for the three agreements of $120,000; and
2. Authorize the three firms to conduct as many executive-level, department head, and hard-to-fill mid-management vacancies that may occur over fiscal year 2025-2026.

BE IT FURTHER RESOLVED that the Lodi City Council does hereby appropriate funds from the department with the vacancy; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: September 3, 2025

==========

I hereby certify that Resolution No. 2025-147 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 3, 2025, by the following votes:

AYES:	COUNCIL MEMBERS –	Craig-Hensley, Hothi, Nakanishi, Yepez and Mayor Bregman
NOES:	COUNCIL MEMBERS –	None
ABSENT:	COUNCIL MEMBERS –	None
ABSTAIN:	COUNCIL MEMBERS –	None

Olivia Nashed

OLIVIA NASHED
City Clerk

2025-147

AMENDMENT NO. 1

MOSAIC PUBLIC PARTNERS LLC
AGREEMENT FOR PROFESSIONAL SERVICES

THIS AMENDMENT NO. 1 TO AGREEMENT FOR PROFESSIONAL SERVICES, ("Amendment No. 1") is made and entered this ____ day of _____, 2026, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and MOSAIC PUBLIC PARTNERS LLC, a California Limited Liability Company (hereinafter "CONTRACTOR").

W I T N E S S E T H:

1. WHEREAS, CONTRACTOR and CITY entered into an Agreement for Professional Services to provide recruitment services on October 30, 2025 (the "Agreement"), attached hereto as Exhibit 1 and made a part hereof; and

2. WHEREAS, CITY now requests to add funds within the existing fee schedule in an amount not to exceed $32,500, for a total Agreement amount not-to-exceed $72,500; and

3. WHEREAS, CITY and CONTRACTOR agree to said amendment.

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. 1 on the date and year first above written.

CITY OF LODI, a municipal corporation,

hereinabove called "CITY"

AARON M. BUSCH
Interim City Manager

ATTEST:

OLIVIA NASHED
City Clerk

APPROVED AS TO FORM:

JOHN M. LUEBBERKE
Interim City Attorney

MOSAIC PUBLIC PARTNERS LLC, a California Limited Liability Company hereinabove called "CONTRACTOR"

BRYAN NOBLETT
Founder and Managing Partner

Exhibit 1 to
Amendment No. 1

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on October 30, 2025, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and MOSAIC PUBLIC PARTNERS LLC, a California limited liability company (hereinafter "CONTRACTOR").

Section 1.2 Purpose

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

CITY wishes to enter into an agreement with CONTRACTOR for recruitment services ranging from executive-level, department head, mid-manager and unique or hard-to-fill positions (hereinafter "Project") as set forth in the Scope of Services attached 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 September 4, 2025 and terminates upon the completion of the Scope of Services or on September 3, 2026, 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 one (1) year extension; 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 two (2) year(s).

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 subcontractor 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: Nancy Ramirez

To CONTRACTOR:
Mosaic Public Partners, LLC
200 Gateway Drive, #1908
Lincoln, CA 94648
Attn: Brian Noblett

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.

Section 4.22 Counterparts and Electronic Signatures

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

Olivia Nashed

OLIVIA NASHED
City Clerk

APPROVED AS TO FORM:

By: Katie O. Lucchesi

KATIE O. LUCCHESI
for City Attorney

CITY OF LODI, a municipal corporation

JAMES LINDSAY
Acting City Manager

MOSAIC PUBLIC PARTNERS LLC, a California limited liability company

By: Bryan Noblett

Name: BRYAN NOBLETT
Title: Founder and Managing Partner

Attachments:
Exhibit A/B – Scope of Services & Fee Proposal
Exhibit C – Insurance Requirements
Exhibit N/A – Federal Transit Funding Conditions (if applicable)

Funding Source: **10020300**
(Business Unit & Account No.)

Doc ID:

CA: Rev.04.2025-LT (CA Formatted)

SCOPE OF SERVICES

The City is seeking the assistance of a professional consultant/recruiting firm to conduct recruitments to fill executive-level, department-head, mid-manager, and unique or hard-to-fill positions. The scope of services includes the following:

1. Discuss the expectations, challenges, responsibilities and requirements related to the position with key stakeholders.
2. Develop and execute an inclusive plan and timeline for each recruitment.
3. Identify strategies to encourage highly qualified candidates to apply, including advertising to appropriate professional publications and on internet bulletin boards.
4. Acknowledge receipt of candidate's application materials and maintain communication with all candidates throughout the recruitment process.
5. Thoroughly screen applications and resumes received.
6. Advise the City Manager, Interim Human Resources Manager, and/or hiring manager on the qualifications of the candidates received.
7. Perform initial interview screening with the most qualified candidates.
8. Develop a list of recommended candidates to interview and provide a summary report on the candidates selected to interview.
9. Provide guidance to the City on interview strategies, interview questions, interview scheduling, and candidate evaluation options.
10. Attend and facilitate the selection interview session and lead the interview debrief at the end of the day.
11. Assist the City with the selection process of the finalist.
12. Conduct the reference check and initiate the background process with the final candidate(s).
13. Assist the City with employment contract negotiations, if applicable.
14. Maintain all correspondence throughout the recruitment process.
15. Compile documentation and a final written summary of all work performed and outreach related to developing, conducting, and completing the recruitment.

COST OF SERVICES

Our firm uses a flat fee approach toward pricing our executive search services. The flat fee includes both professional services and consultant expenses. These expenses include graphic design, a single round of advertising, consultant travel, administrative support, printing, postage, technology, and background and education checks on the selected candidate.

FEES BY POSITION TYPE

CITY COUNCIL APPOINTED POSITIONS*

City Manager	$32,000
City Attorney	$31 000
Other Council Appointed Positions	$30,000

CITY MANAGER APPOINTED POSITIONS

Assistant City Manager	$29,500
Fire Chief/Police Chief	$29,500
Assistant Fire Chief/Police Chief	$27,500
Department Director	$27,500
Assistant Department Director	$26,500
Manager/Professional/Technical	$25,500

*Council appointed positions require more touchpoints throughout the recruitment, and therefore require more time per search.

INVOICING WILL BE IN FOUR INSTALLMENTS:

- Upon Execution of the Professional Services Agreement: 30 percent of flat fee
- After Presentation of Candidates: 30 percent of flat fee
- After Initial Interviews 30 percent of flat fee
- After Accepted Offer of Employment: 10 percent of flat fee

The flat fee is based upon up to one consultant trip for the search consultants to facilitate candidate interviews. All other client meetings will be conducted via videoconference or teleconference Should the City request additional consultant trips, they will be invoiced at $1 500 per day, per consultant, plus actual travel expenses Candidate travel expenses shall be the responsibility of the City of Lodi.

OPTIONAL SERVICES

ASSISTED OUTREACH

Often referred to as a partial recruitment, the goal of an Assisted Outreach is to assist the City of Lodi in identifying and sourcing top-tier candidates for lower-level, technical, or hard to fill positions. This service is tailored to provide a streamlined and targeted approach to filling positions. The Assisted Outreach option is not offered for director or assistant director-level recruitments, and a guarantee is not included with this offering.

Our project team will meet with the City to learn about the position and target candidate, and will create a high-quality, attention getting recruitment brochure. A comprehensive single round advertising campaign will be done in the relevant market.

Targeted research will be conducted to identify candidates matching the goal market. Up to two email campaigns will take place directed at the candidates identified through the research. LinkedIn postings, along with advertisement on our website, will also market the position.

Our flat fee to provide this service is **$9,500**.

INVOICING WILL BE IN TWO INSTALLMENTS:

- Upon Execution of the Professional Services Agreement $4,750
- Upon Project Conclusion $4,750

Consultant- Not to Exceed $40,000

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 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 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. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE AMENDMENT NO. 1 FOR THE PROFESSIONAL SERVICES AGREEMENT WITH MOSAIC PUBLIC PARTNERS LLC TO PERFORM RECRUITMENT SERVICES FOR A TOTAL AGREEMENT AMOUNT NOT TO EXCEED $72,500

==========

WHEREAS, on October 30, 2025, the City of Lodi entered into an agreement for professional services with Mosaic Public Partners LLC to perform recruitment services for a sum not to exceed $40,000; and

WHEREAS, a recent executive level vacancy has occurred that was unforeseen at the time the City entered into the agreement for professional services with Mosaic Public Partners LLC; and

WHEREAS, based on Mosaic Public Partners' satisfactory performance, the City of Lodi seeks to engage its professional services to conduct the new executive recruitment; with Mosaic's quote to perform this new recruitment is $31,000.

NOW THEREFORE BE IT RESOLVED, the City of Lodi authorizes the Interim City Manager to execute an amendment to the agreement for professional services with Mosaic Public Partners LLC increasing the not to exceed amount to $72,500 therefore allowing the City of Lodi to engage Mosaic Public Partners LLC's services to perform the new executive recruitment ($31,000).

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: May 20, 2026

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I hereby certify that Resolution No. 2026-_____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing Interim City Manager to Waive the Bid Process, Purchase Four (4) John Deere Pro Gator 2030A Diesel Model Utility Vehicles from BELKORP AG of Stockton, California Using Cooperative Agreement with Sourcewell Grounds Maintenance Equipment Contract #112624- DAC and Appropriate Funds ($180,000) (PRCS)

MEETING DATE:
May 20, 2026

PREPARED BY:
Christina Jaromay, Parks, Recreation and Cultural Services Director

RECOMMENDED ACTION:
Adopt a resolution authorizing Interim City Manager to waive the bid process, purchase four (4) John Deere Pro Gator 2030A Diesel Model Utility Vehicles from BELKORP AG of Stockton, California using cooperative agreement with Sourcewell Grounds Maintenance Equipment Contract #112624-DAC and appropriate funds in the amount of $180,000.

BACKGROUND INFORMATION:
The Parks, Recreation and Cultural Services Department (PRCS) currently has five (5) utility vehicles that are non-operational due to replacement parts no longer being available. These vehicles are approximately 12 to 15 years old and have been used daily for maintenance operations at Lodi Lake and various in-town park facilities. The on-road vehicles support a wide range of operations including landscape maintenance, homeless encampment cleanups, material hauling and ballfield preparation.

Staff has spent considerable time comparing other utility vehicles and pricing and believes that the John Deere model provides greater safety features and towing capacity than comparable units offered by other manufacturers at a reasonable price. Refer to Attachment 1 - Quote.

City Council authorized city participation in cooperative purchasing programs such as the US Communities Nationwide Purchasing Program. Sourcewell Grounds Maintenance Equipment Contract #112624-DAC is a part of this program and offers a discounted rate. Refer to Attachment 2 - Contract #112624-DAC.

PRCS requests City Council adopt a resolution authorizing Interim City Manager to waive the bid process and purchase four (4) John Deere Pro Gator 2030A Diesel Model Utility Vehicles from BELKORP AG of Stockton, California and appropriate $180,000 to 64799100.77040.

FISCAL IMPACT:
Funding is available in PRCS 647 Vehicle Fund

FUNDING AVAILABLE:
Appropriate funds in the amount of $180,000 to account - 64799100.77040 (Expense)

BELKORP AG

JOHN DEERE

ALL PURCHASE ORDERS MUST BE MADE OUT TO (VENDOR):

Deere & Company

2000 John Deere Run

Cary, NC 27513-2789 US

FED ID: 36-2382580

UEID: FNSWEDARMK53

ALL PURCHASE ORDERS MUST BE SENT TO DELIVERING DEALER:

Brandon Russell

Belkorp Ag, LLC

1120 W Charter Way Stockton, CA 95206

Prepared For

CITY OF LODI PARKS AND REC DEPT

111 N STOCKTON ST

LODI, CA 952402215

(209) 333-6800

Prepared By

Brandon Russell

Belkorp Ag, LLC

1120 W Charter Way

Stockton, CA 95206

2099445714

brussell@belkorpag.com

Quote Id 1771595

Creation Date 17-Mar-2026

Expiration Date 31-May-2026

BELKORP AG

JOHN DEERE

ALL PURCHASE ORDERS MUST BE MADE OUT TO (VENDOR):

Deere & Company

2000 John Deere Run

Cary, NC 27513-2789 US

FED ID: 36-2382580

UEID: FNSWEDARMK53

ALL PURCHASE ORDERS MUST BE SENT TO DELIVERING DEALER:

Brandon Russell

Belkorp Ag, LLC

1120 W Charter Way Stockton, CA 95206

Prepared For

CITY OF LODI PARKS AND REC DEPT

111 N STOCKTON ST

LODI, CA 952402215

(209) 333-6800

Prepared By

Brandon Russell

Belkorp Ag, LLC

1120 W Charter Way

Stockton, CA 95206

2099445714

brussell@belkorpag.com

Quote Id 1771595

Creation Date 17-Mar-2026

Expiration Date 31-May-2026

Quote Summary

Equipment Summary	Suggested List	Selling Price	QTY In Group	Extended
ProGator 2030A (Diesel) **Contract:** Sourcewell Grounds Maint 112624-DAC (PG NB CG 70) **Price Effective Date:** 14-Apr-2026	**$54,007.66**	**$41,045.82**	**1**	**$41,045.82**
ProGator 2030A (Diesel) **Contract:** Sourcewell Grounds Maint 112624-DAC (PG NB CG 70) **Price Effective Date:** 14-Apr-2026	**$54,007.66**	**$41,045.82**	**1**	**$41,045.82**
ProGator 2030A (Diesel) **Contract:** Sourcewell Grounds Maint 112624-DAC (PG NB CG 70) **Price Effective Date:** 14-Apr-2026	**$54,007.66**	**$41,045.82**	**1**	**$41,045.82**
ProGator 2030A (Diesel) **Contract:** Sourcewell Grounds Maint 112624-DAC (PG NB CG 70) **Price Effective Date:** 14-Apr-2026	**$54,007.66**	**$41,045.82**	**1**	**$41,045.82**
Equipment Total				**$164,183.28**

Quote Summary

Total Selling Price	$164,183.28
San Joaquin Co - City of Lodi - (8.25%)	$13,545.12

Salesperson : X _____

Accepted By : X _____

BELKORP AG

JOHN DEERE

Sub-total	**$177,728.40**
*CA Tire Fee	$28.00
Balance Due	**$177,756.40**

Salesperson : X _____

Accepted By : X _____

BELKORP AG

JOHN DEERE

Selling Equipment

Quote # 1771595

Customer CITY OF LODI PARKS AND REC DEPT

ProGator 2030A (Diesel)

QTY In Group : 1

Hours	- - -
Serial Number	- - -
Stock Number	- - -
Contract	Sourcewell Grounds Maint 112624-DAC (PG NB CG 70)
Price Effective Date	14-Apr-2026
PUK Parent Serial #	

Suggested List
$54,007.66

Selling Price
$41,045.82

Discount Amount
($12,961.84)

Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
141MTC	ProGator 2030A (Diesel)	1	$46,308.00	24.0%	($11,113.92)	$35,194.08

Base / Options

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
001A	US/Canada	1	$0.00	24.0%	$0.00	$0.00
0443	All Other Countries - Operator's Manual - English/Spanish	1	$0.00	24.0%	$0.00	$0.00
1190	2WD Traction Unit	1	$0.00	24.0%	$0.00	$0.00
1139	Standard Front Tires 23x10.5-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
1159	Standard Rear Tires 26x12-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
2200	Factory Installed Auxiliary Hydraulics	1	$0.00	24.0%	$0.00	$0.00
183N	JDLink™ Modem	1	$0.00	24.0%	$0.00	$0.00
9776	Cargo Box	1	$3,179.00	24.0%	($762.96)	$2,416.04
9772	Turn Signal Kit	1	$367.00	24.0%	($88.08)	$278.92
9837	Canopy with Rear View Mirror	1	$1,078.00	24.0%	($258.72)	$819.28
9839	Mirror Kit	1	$192.00	24.0%	($46.08)	$145.92
Total Base / Options			**$51,124.00**		**($12,269.76)**	**$38,854.24**

Dealer Attachments

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
BTC10091	4-Post Rollover Protective Structure (ROPS) Conversion Kit (Green) Serial Number: - - - Stock Number: - - -	1	$2,883.66	24.0%	($692.08)	$2,191.58
Total Dealer Attachments			**$2,883.66**		**($692.08)**	**$2,191.58**
Selling Price Subtotal						**$41,045.82**
Total Selling Price			**$54,007.66**		**($12,961.84)**	**$41,045.82**

BELKORP AG

JOHN DEERE

ProGator 2030A (Diesel)

QTY In Group : 1

Hours	---	Suggested List
Serial Number	---	$54,007.66
Stock Number	---	Selling Price
Contract	Sourcewell Grounds Maint 112624-DAC (PG NB CG 70)	$41,045.82
Price Effective Date	14-Apr-2026	Discount Amount
PUK Parent Serial #		($12,961.84)

Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
141MTC	ProGator 2030A (Diesel)	1	$46,308.00	24.0%	($11,113.92)	$35,194.08

Base / Options

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
001A	US/Canada	1	$0.00	24.0%	$0.00	$0.00
0443	All Other Countries - Operator's Manual - English/Spanish	1	$0.00	24.0%	$0.00	$0.00
1190	2WD Traction Unit	1	$0.00	24.0%	$0.00	$0.00
1139	Standard Front Tires 23x10.5-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
1159	Standard Rear Tires 26x12-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
2200	Factory Installed Auxiliary Hydraulics	1	$0.00	24.0%	$0.00	$0.00
183N	JDLink™ Modem	1	$0.00	24.0%	$0.00	$0.00
9776	Cargo Box	1	$3,179.00	24.0%	($762.96)	$2,416.04
9772	Turn Signal Kit	1	$367.00	24.0%	($88.08)	$278.92
9837	Canopy with Rear View Mirror	1	$1,078.00	24.0%	($258.72)	$819.28
9839	Mirror Kit	1	$192.00	24.0%	($46.08)	$145.92
Total Base / Options			**$51,124.00**		**($12,269.76)**	**$38,854.24**

Dealer Attachments

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price

BTC10091	4-Post Rollover Protective Structure (ROPS) Conversion Kit (Green) Serial Number: - - - Stock Number: - - -	1	$2,883.66	24.0%	($692.08)	$2,191.58
Total Dealer Attachments			**$2,883.66**		**($692.08)**	**$2,191.58**
Selling Price Subtotal						**$41,045.82**
Total Selling Price			**$54,007.66**		**($12,961.84)**	**$41,045.82**

BELKORP AG

JOHN DEERE

ProGator 2030A (Diesel)

QTY In Group : 1

Hours	---	Suggested List
Serial Number	---	$54,007.66
Stock Number	---	Selling Price
Contract	Sourcewell Grounds Maint 112624-DAC (PG NB CG 70)	$41,045.82
Price Effective Date	14-Apr-2026	Discount Amount
PUK Parent Serial #		($12,961.84)

Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
141MTC	ProGator 2030A (Diesel)	1	$46,308.00	24.0%	($11,113.92)	$35,194.08

Base / Options

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
001A	US/Canada	1	$0.00	24.0%	$0.00	$0.00
0443	All Other Countries - Operator's Manual - English/Spanish	1	$0.00	24.0%	$0.00	$0.00
1190	2WD Traction Unit	1	$0.00	24.0%	$0.00	$0.00
1139	Standard Front Tires 23x10.5-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
1159	Standard Rear Tires 26x12-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
2200	Factory Installed Auxiliary Hydraulics	1	$0.00	24.0%	$0.00	$0.00
183N	JDLink™ Modem	1	$0.00	24.0%	$0.00	$0.00
9776	Cargo Box	1	$3,179.00	24.0%	($762.96)	$2,416.04
9772	Turn Signal Kit	1	$367.00	24.0%	($88.08)	$278.92
9837	Canopy with Rear View Mirror	1	$1,078.00	24.0%	($258.72)	$819.28
9839	Mirror Kit	1	$192.00	24.0%	($46.08)	$145.92
Total Base / Options			**$51,124.00**		**($12,269.76)**	**$38,854.24**

Dealer Attachments

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price

BTC10091	4-Post Rollover Protective Structure (ROPS) Conversion Kit (Green) Serial Number: - - - Stock Number: - - -	1	$2,883.66	24.0%	($692.08)	$2,191.58
Total Dealer Attachments			**$2,883.66**		**($692.08)**	**$2,191.58**
Selling Price Subtotal						**$41,045.82**
Total Selling Price			**$54,007.66**		**($12,961.84)**	**$41,045.82**

BELKORP AG

JOHN DEERE

ProGator 2030A (Diesel)

QTY In Group : 1

Hours	- - -
Serial Number	- - -
Stock Number	- - -
Contract	Sourcewell Grounds Maint 112624-DAC (PG NB CG 70)
Price Effective Date	14-Apr-2026
PUK Parent Serial #	

Suggested List
$54,007.66
Selling Price
$41,045.82
Discount Amount
($12,961.84)

Equipment Summary

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
141MTC	ProGator 2030A (Diesel)	1	$46,308.00	24.0%	($11,113.92)	$35,194.08

Base / Options

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price
001A	US/Canada	1	$0.00	24.0%	$0.00	$0.00
0443	All Other Countries - Operator's Manual - English/Spanish	1	$0.00	24.0%	$0.00	$0.00
1190	2WD Traction Unit	1	$0.00	24.0%	$0.00	$0.00
1139	Standard Front Tires 23x10.5-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
1159	Standard Rear Tires 26x12-12 (4 PR)	1	$0.00	24.0%	$0.00	$0.00
2200	Factory Installed Auxiliary Hydraulics	1	$0.00	24.0%	$0.00	$0.00
183N	JDLink™ Modem	1	$0.00	24.0%	$0.00	$0.00
9776	Cargo Box	1	$3,179.00	24.0%	($762.96)	$2,416.04
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9839	Mirror Kit	1	$192.00	24.0%	($46.08)	$145.92
Total Base / Options			**$51,124.00**		**($12,269.76)**	**$38,854.24**

Dealer Attachments

Code	Description	Qty	List Price	Discount %	Discount $	Adjusted Selling Price

BTC10091	4-Post Rollover Protective Structure (ROPS) Conversion Kit (Green) Serial Number: - - - Stock Number: - - -	1	$2,883.66	24.0%	($692.08)	$2,191.58
Total Dealer Attachments			**$2,883.66**		**($692.08)**	**$2,191.58**
Selling Price Subtotal						**$41,045.82**
Total Selling Price			**$54,007.66**		**($12,961.84)**	**$41,045.82**

Docusign Envelope ID: 319B2E9F-A009-4F98-AFFC-D9F5A544BB85

MASTER AGREEMENT #112624
CATEGORY: Grounds Maintenance Equipment and Related Attachments
SUPPLIER: Deere & Company

This Master Agreement (Agreement) is between Sourcewell, a Minnesota service cooperative located at 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Deere & Company, 2000 John Deere Run, Cary, NC 27513 (Supplier).

Sourcewell is a local government and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) offering a Cooperative Purchasing Program to eligible participating government entities.

Under this Master Agreement entered with Sourcewell, Supplier will provide Included Solutions to Participating Entities through Sourcewell's Cooperative Purchasing Program.

Article 1: General Terms

The General Terms in this Article 1 control the operation of this Master Agreement between Sourcewell and Supplier and apply to all transactions entered by Supplier and Participating Entities. Subsequent Articles to this Master Agreement control the rights and obligations directly between Sourcewell and Supplier (Article 2), and between Supplier and Participating Entity (Article 3), respectively. These Article 1 General Terms control over any conflicting terms. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

1) **Purpose.** Pursuant to Minnesota law, the Sourcewell Board of Directors has authorized a Cooperative Purchasing Program designed to provide Participating Entities with access to competitively awarded cooperative purchasing agreements. To facilitate the Program, Sourcewell has awarded Supplier this cooperative purchasing Master Agreement following a competitive procurement process intended to meet compliance standards in accordance with Minnesota law and the requirements contained herein.

2) **Intent.** The intent of this Master Agreement is to define the roles of Sourcewell, Supplier, and Participating Entity as it relates to Sourcewell's Cooperative Purchasing Program.

3) **Participating Entity Access.** Sourcewell's Cooperative Purchasing Program Master Agreements are available to eligible public agencies (Participating Entities). A Participating Entity's authority to access Sourcewell's Cooperative Purchasing Program is determined through the laws of its respective jurisdiction.

4) **Supplier Access.** The Included Solutions offered under this Agreement may be made available to any Participating Entity. Supplier understands that a Participating Entity's use of this Agreement is at the Participating Entity's sole convenience. Supplier will educate its sales and service forces about Sourcewell eligibility requirements and required documentation. Supplier will be responsible for ensuring sales are with Participating Entities.

5) **Term.** This Agreement is effective upon the date of the final signature below. The term of this Agreement is four (4) years from the effective date. The Agreement expires at 11:59 P.M. Central Time on January 31, 2029, unless it is cancelled or extended as defined in this Agreement.

   a) **Extensions.** Sourcewell and Supplier may agree to up to three (3) additional one-year extensions beyond the original four-year term. The total possible length of this Agreement will be seven (7) years from the effective date.

   b) **Exceptional Circumstances.** Sourcewell retains the right to consider additional extensions as required under exceptional circumstances.

6) **Survival of Terms.** Notwithstanding the termination of this Agreement, the obligations of this Agreement will continue through the performance period of any transaction entered between Supplier and any Participating Entity before the termination date.

7) **Scope.** Supplier is awarded a Master Agreement to provide the solutions identified in RFP #112624 to Participating Entities. In Scope solutions include:

   a) Lawn and garden equipment for all types of lawn, field and turf care, golf course, landscape, sidewalk, walking path, and parking lot maintenance, and snow removal;

   b) Irrigation and aeration equipment, systems, parts, and installation; and

   c) Beach and waterfront maintenance equipment and accessories.

8) **Included Solutions.** Supplier's Proposal to the above referenced RFP is incorporated into this Master Agreement. Only those Solutions included within Supplier's Proposal and within Scope (Included Solutions) are included within the Agreement and may be offered to Participating Entities.

9) **Indefinite Quantity.** This Master Agreement defines an indefinite quantity of sales to eligible Participating Entities.

10) **Pricing.** Pricing information (including Pricing and Delivery and Pricing Offered tables) for all Included Solutions within Supplier's Proposal is incorporated into this Master Agreement.

11) **Not to Exceed Pricing.** Suppliers may not exceed the prices listed in the current Pricing List on file with Sourcewell when offering Included Solutions to Participating Entities. Participating Entities may request adjustments to pricing directly from Supplier during the negotiation and execution of any transaction.

12) **Open Market.** Supplier's open market pricing process is included within its Proposal.

13) Supplier Representations:

   i) **Compliance.** Supplier represents and warrants it will provide all Included Solutions under this Agreement in full compliance with applicable federal, state, and local laws and regulations.

ii) **Licenses.** As applicable, Supplier will maintain a valid status on all required federal, state, and local licenses, bonds, and permits required for the operation of Supplier's business with Participating Entities. Participating Entities may request all relevant documentation directly from Supplier.

iii) **Supplier Warrants.** Supplier warrants that all Included Solutions furnished under this Agreement are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Solutions are suitable for and will perform in accordance with the ordinary use for which they are intended.

14) **Bankruptcy Notices.** Supplier certifies and warrants it is not currently in a bankruptcy proceeding. Supplier has disclosed all current and completed bankruptcy proceedings within the past seven years within its Proposal. Supplier must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the term of this Agreement.

15) **Debarment and Suspension.** Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota, the United States federal government, or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Agreement. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time during the term of this Agreement.

16) **Provisions for non-United States federal entity procurements under United States federal awards or other awards (Appendix II to 2 C.F.R § 200).** Participating Entities that use United States federal grant or other federal funding to purchase solutions from this Agreement may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Section, all references to "federal" should be interpreted to mean the United States federal government. The following list applies when a Participating Entity accesses Supplier's Included Solutions with United States federal funds.

i) **EQUAL EMPLOYMENT OPPORTUNITY.** Except as otherwise provided under 41 C.F.R. § 60, all agreements that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. § 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

ii) **DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148).** When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5,

"Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must comply with all applicable Davis-Bacon Act provisions.

iii) **CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708).** Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies, materials, or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Agreement. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

iv) **RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT.** If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all Agreements by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

v) **CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387).** Contracts and subgrants of amounts in excess of

$150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). Supplier certifies that during the term of this Agreement it will comply with applicable requirements as referenced above.

vi) **DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689).** A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. § 180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

vii) **BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352).** Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

viii) **RECORD RETENTION REQUIREMENTS.** To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

ix) **ENERGY POLICY AND CONSERVATION ACT COMPLIANCE.** To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

x) **BUY AMERICAN PROVISIONS COMPLIANCE.** To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

xi) **ACCESS TO RECORDS (2 C.F.R. § 200.336).** Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Agreement for the purpose of making audits, examinations, excerpts, and transcriptions. The

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right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

xii) **PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322).** A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

xiii) **FEDERAL SEAL(S), LOGOS, AND FLAGS.** The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

xiv) **NO OBLIGATION BY FEDERAL GOVERNMENT.** The U.S. federal government is not a party to this Agreement or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Agreement or any purchase by an authorized user.

xv) **PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS.** The Contractor acknowledges that 31 U.S.C. § 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Agreement or any purchase by a Participating Entity.

xvi) **FEDERAL DEBT.** The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

xvii) **CONFLICTS OF INTEREST.** The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Agreement or any aspect related to the anticipated work under this Agreement raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

xviii) **U.S. EXECUTIVE ORDER 13224.** The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

xix) **PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT.** To the extent applicable, Supplier certifies that during the term of this Agreement it will comply with applicable requirements of 2 C.F.R. § 200.216.

xx) **DOMESTIC PREFERENCES FOR PROCUREMENTS.** To the extent applicable, Supplier certifies that during the term of this Agreement, Supplier will comply with applicable requirements of 2 C.F.R. § 200.322.

Article 2:
Sourcewell and Supplier Obligations

The Terms in this Article 2 relate specifically to Sourcewell and its administration of this Master Agreement with Supplier and Supplier's obligations thereunder.

1) **Authorized Sellers**. Supplier must provide Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers which may complete transactions of Included Solutions offered under this Agreement. Sourcewell may request updated information in its discretion, and Supplier agrees to provide requested information within a reasonable time.

2) **Product and Price Changes Requirements.** Supplier may request Included Solutions changes, additions, or deletions at any time. All requests must be made in writing by submitting a Sourcewell Price and Product Change Request Form to Sourcewell. At a minimum, the request must:
   - Identify the applicable Sourcewell Agreement number;
   - Clearly specify the requested change;
   - Provide sufficient detail to justify the requested change;
   - Individually list all Included Solutions affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
   - Include a complete restatement of Pricing List with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Included Solutions offered, even for those items where pricing remains unchanged.

   A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Agreement and will be incorporated by reference.

3) **Authorized Representative.** Supplier will assign an Authorized Representative to Sourcewell for this Agreement and must provide prompt notice to Sourcewell if that person is changed. The Authorized Representative will be responsible for:
   - Maintenance and management of this Agreement;
   - Timely response to all Sourcewell and Participating Entity inquiries; and
   - Participation in reviews with Sourcewell.

   Sourcewell's Authorized Representative is its Chief Procurement Officer.

4) **Performance Reviews.** Supplier will perform a minimum of one review with Sourcewell per agreement year. The review will cover transactions to Participating Entities, pricing and terms, administrative fees, sales data reports, performance issues, supply chain issues, customer issues, and any other necessary information.

5) **Sales Reporting Required.** Supplier is required as a material element to this Master Agreement to report all completed transactions with Participating Entities utilizing this Agreement. Failure to provide complete and accurate reports as defined herein will be a material breach of the Agreement and Sourcewell reserves the right to pursue all remedies available at law including cancellation of this Agreement.

6) **Reporting Requirements.** Supplier must provide Sourcewell an activity report of all transactions completed utilizing this Agreement. Reports are due at least once each calendar quarter (Reporting Period). Reports must be received no later than 45 calendar days after the end of each calendar quarter. Supplier may report on a more frequent basis in its discretion. Reports must be provided regardless of the amount of completed transactions during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

   The Report must contain the following fields:
   - Participating Entity Name (e.g., City of Staples Highway Department);
   - Participating Entity Physical Street Address;
   - Participating Entity City;
   - Participating Entity State/Province;
   - Participating Entity Zip/Postal Code;
   - Sourcewell Participating Entity Account Number;
   - Transaction Description;
   - Transaction Purchased Price;
   - Sourcewell Administrative Fee Applied; and
   - Date Transaction was invoiced/sale was recognized as revenue by Supplier.

   If collected by Supplier, the Report may include the following fields as available:
   - Participating Entity Contact Name;
   - Participating Entity Contact Email Address;
   - Participating Entity Contact Telephone Number;

7) **Administrative Fee.** In consideration for the support and services provided by Sourcewell, Supplier will pay an Administrative Fee to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. Supplier will include its Administrative Fee within its proposed pricing. Supplier may not directly charge Participating Entities to offset the Administrative Fee.

8) **Fee Calculation.** Supplier's Administrative Fee payable to Sourcewell will be calculated as a stated percentage (listed in Supplier's Proposal) of all completed transactions utilizing this Master Agreement within the preceding Reporting Period. For certain categories, a flat fee may be proposed. The Administrative Fee will be stated in Supplier's Proposal.

9) **Fee Remittance.** Supplier will remit fee to Sourcewell no later than 45 calendar days after the close of the preceding calendar quarter in conjunction with Supplier's Reporting Period obligations defined herein. Payments should note the Supplier's name and Sourcewell-assigned Agreement number in the memo; and must be either mailed to Sourcewell above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions.

10) **Noncompliance.** Sourcewell reserves the right to seek all remedies available at law for unpaid or underpaid Administrative Fees due under this Agreement. Failure to remit payment, delinquent payments, underpayments, or other deviations from the requirements of this Agreement may be deemed a material breach and may result in cancellation of this Agreement and disbarment from future Agreements.

11) **Audit Requirements.** Pursuant to Minn. Stat. § 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by Sourcewell and the Minnesota State Auditor for a minimum of six years from the end of this Agreement. Supplier agrees to fully cooperate with Sourcewell in auditing transactions under this Agreement to ensure compliance with pricing terms, correct calculation and remittance of Administrative Fees, and verification of transactions as may be requested by a Participating Entity or Sourcewell.

12) **Assignment, Transfer, and Administrative Changes.** Supplier may not assign or otherwise transfer its rights or obligations under this Agreement without the prior written consent of Sourcewell. Such consent will not be unreasonably withheld. Sourcewell reserves the right to unilaterally assign all or portions of this Agreement within its sole discretion to address corporate restructurings, mergers, acquisitions, or other changes to the Responsible Party and named in the Agreement. Any prohibited assignment is invalid. Upon request Sourcewell may make administrative changes to agreement documentation such as name changes, address changes, and other non-material updates as determined within its sole discretion.

13) **Amendments.** Any material change to this Agreement must be executed in writing through an amendment and will not be effective until it has been duly executed by the parties.

14) **Waiver.** Failure by Sourcewell to enforce any right under this Agreement will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right.

15) **Complete Agreement.** This Agreement represents the complete agreement between the parties for the scope as defined herein. Supplier and Sourcewell may enter into separate written agreements relating specifically to transactions outside of the scope of this Agreement.

16) **Relationship of Sourcewell and Supplier.** This Agreement does not create a partnership, joint venture, or any other relationship such as employee, independent contractor, master-servant, or principal-agent.

17) **Indemnification.** Supplier must indemnify, defend, save, and hold Sourcewell, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell, arising out of any act or omission in the performance of this Agreement by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in design, condition, or performance of Included Solutions under this Agreement. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

18) **Data Practices.** Supplier and Sourcewell acknowledge Sourcewell is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13. As it applies to all data created and

maintained in performance of this Agreement, Supplier may be subject to the requirements of this chapter.

19) **Grant of License.**
   a) **During the term of this Agreement:**
      i) **Supplier Promotion.** Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising, promotional materials, and informational sites for the purpose of marketing Sourcewell's Agreement with Supplier.

      ii) **Sourcewell Promotion.** Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising, promotional materials, and informational sites for the purpose of marketing Supplier's Agreement with Sourcewell.

   b) **Limited Right of Sublicense.** The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, partners, or agents (collectively "Permitted Sublicensees") in advertising, promotional, or informational materials for the purpose of marketing the Parties' relationship. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this section by any of their respective sublicensees.

   c) **Use; Quality Control.**
      i) Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

      ii) Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Each party may make written notice to the other regarding misuse under this section. The offending party will have 30 days of the date of the written notice to cure the issue or the license/sublicense will be terminated.

   d) **Termination.** Upon the termination of this Agreement for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

20) **Venue and Governing law between Sourcewell and Supplier Only.** The substantive and procedural laws of the State of Minnesota will govern this Agreement between Sourcewell and Supplier. Venue for all legal proceedings arising out of this Agreement between Sourcewell and Supplier will be in court of competent jurisdiction within the State of Minnesota. This section does not apply to any dispute between Supplier and Participating Entity. This Agreement reserves the right for Supplier and Participating Entity to negotiate this term to within any transaction documents.

21) **Severability.** If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Agreement is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

22) **Insurance Coverage.** At its own expense, Supplier must maintain valid insurance policy(ies) during the performance of this Agreement with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

a) **Commercial General Liability Insurance.** Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Agreement.

- $1,500,000 each occurrence Bodily Injury and Property Damage
- $1,500,000 Personal and Advertising Injury
- $2,000,000 aggregate for products liability-completed operations
- $2,000,000 general aggregate

b) **Certificates of Insurance.** Prior to execution of this Agreement, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Agreement. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or provided to in an alternative manner as directed by Sourcewell. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf. Failure of Supplier to maintain the required insurance and documentation may constitute a material breach.

c) **Additional Insured Endorsement and Primary and Non-contributory Insurance Clause.** Supplier agrees to list Sourcewell, including its officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

d) **Waiver of Subrogation.** Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Agreement or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

e) **Umbrella/Excess Liability/SELF-INSURED RETENTION.** The limits required by this Agreement can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

23) **Termination for Convenience.** Sourcewell or Supplier may terminate this Agreement upon 60 calendar days' written notice to the other Party. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

24) **Termination for Cause.** Sourcewell may terminate this Agreement upon providing written notice of material breach to Supplier. Notice must describe the breach in reasonable detail and state the intent to terminate the Agreement. Upon receipt of Notice, the Supplier will have 30 calendar days in which it must cure the breach. Termination pursuant to this section will not relieve the Supplier's obligations under this Agreement for any transactions entered with Participating Entities through the date of termination, including reporting and payment of applicable Administrative Fees.

Article 3:
Supplier Obligations to Participating Entities

The Terms in this Article 3 relate specifically to Supplier and a Participating Entity when entering transactions utilizing the General Terms established in this Master Agreement. Article 1 General Terms control over any conflict with this Article 3. Where this Master Agreement is silent on any subject, Participating Entity and Supplier retain the ability to negotiate mutually acceptable terms.

1) **Quotes to Participating Entities.** Suppliers are encouraged to provide all pricing information regarding the total cost of acquisition when quoting to a Participating Entity. Suppliers and Participating Entities are encouraged to include all cost specifically associated with or included within the Suppliers proposal and Included Solutions within transaction documents.

2) **Shipping, Delivery, Acceptance, Rejection, and Warranty.** Supplier's proposal may include proposed terms relating to shipping, delivery, inspection, and acceptance/rejection and other relevant terms of tendered Solutions. Supplier and Participating Entity may negotiate final terms appropriate for the specific transaction relating to non-appropriation, shipping, delivery, inspection, acceptance/rejection of tendered Solutions, and warranty coverage for Included Solutions. Such terms may include, but are not limited to, costs, risk of loss, proper packaging, inspection rights and timelines, acceptance or rejection procedures, and remedies as mutually agreed include notice requirements, replacement, return or exchange procedures, and associated costs.

3) **Applicable Taxes.** Participating Entity is responsible for notifying supplier of its tax-exempt status and for providing Supplier with any valid tax-exemption certification(s) or related documentation.

4) **Ordering Process and Payment.** Supplier's ordering process and acceptable forms of payment are included within its Proposal. Participating Entities will be solely responsible for payment to Supplier and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

5) **Transaction Documents.** Participating Entity may require the use of its own forms to complete transactions directly with Supplier utilizing the terms established in this Agreement. Supplier's

standard form agreements may be offered as part of its Proposal. Supplier and Participating Entity may complete and document transactions utilizing any type of transaction documents as mutually agreed. In any transaction document entered utilizing this Agreement, Supplier and Participating Entity must include specific reference to this Master Agreement by number and to Participating Entity's unique Sourcewell account number.

6) **Additional Terms and Conditions Permitted.** Participating Entity and Supplier may negotiate and include additional terms and conditions within transaction documentation as mutually agreed. Such terms may supplant or supersede this Master Agreement when necessary and as solely determined by Participating Entity. Sourcewell has expressly reserved the right for Supplier and Participating Entity to address any necessary provisions within transaction documents not expressly included within this Master Agreement, including but not limited to transaction cancellation, dispute resolution, governing law and venue, non-appropriation, insurance, defense and indemnity, force majeure, and other material terms as mutually agreed.

7) **Subsequent Agreements and Survival.** Supplier and Participating Entity may enter into a separate agreement to facilitate long-term performance obligations utilizing the terms of this Master Agreement as mutually agreed. Such agreements may provide for a performance period extending beyond the full term of this Master Agreement as determined in the discretion of Participating Entity.

8) **Participating Addendums.** Supplier and Participating Entity may enter a Participating Addendum or similar document extending and supplementing the terms of this Master Agreement to facilitate adoption as may be required by a Participating Entity.

Sourcewell	Deere & Company
Signed by: Jeremy Schwartz C0FD2A139D06489...	Signed by: Jennifer Smith C44230CF47A24D5...
By: _____	By: _____
Jeremy Schwartz	Jennifer Smith
Title: Chief Procurement Officer	Title: Contract Administrator
Date: 1/29/2025 | 7:20 PM CST	Date: 1/29/2025 | 4:20 PM CST

RFP 112624 - Grounds Maintenance Equipment and Related Attachments

Vendor Details

Company Name:	Deere & Company
Address:	2000 John Deere Run Cary, NC 27513
Contact:	Jennifer Smith
Email:	GovContractSupport@JohnDeere.com
Phone:	800-358-5010 2652
Fax:	309-749-2313
HST#:	362382580

Submission Details

Created On:	Wednesday October 30, 2024 08:18:25
Submitted On:	Tuesday November 26, 2024 10:28:52
Submitted By:	Jennifer Smith
Email:	GovContractSupport@JohnDeere.com
Transaction #:	c2dfa048-0a04-4f03-9f38-1f30eca50e45
Submitter's IP Address:	136.226.3.100

Specifications

Table 1: Proposer Identity & Authorized Representatives (Not Scored)

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Table 1 Specific Instructions. Sourcewell requires identification of all parties responsible for providing Solutions under a resulting master agreement(s) (Responsible Supplier). Proposers are strongly encouraged to include all potential Responsible Suppliers including any corporate affiliates, subsidiaries, D.B.A., and any other authorized entities within a singular proposal. All information required under this RFP must be included for each Responsible Supplier as instructed. Proposers with multiple Responsible Supplier options may choose to respond individually as distinct entities, however each response will be evaluated individually and only those proposals recommended for award may result in a master agreement award. Unawarded entities will not be permitted to later be added to an existing master agreement through operation of Proposer's corporate organization affiliation.

Line Item	Question	Response *
1	Provide the legal name of the Proposer authorized to submit this Proposal.	Deere & Company
2	In the event of award, is this entity the Responsible Supplier that will execute the master agreement with Sourcewell? Y or N.	Yes
3	Identify all subsidiaries, D.B.A., authorized affiliates, and any other entity that will be responsible for offering and performing delivery of Solutions within this Proposal (i.e. Responsible Supplier(s) that will execute a master agreement with Sourcewell).	No other suppliers will execute a master agreement with Sourcewell
4	Provide your CAGE code or Unique Entity Identifier (SAM):	CAGE Code: 0XWZ3 UEID Number: FNSWEDARMK53
5	Provide your NAICS code applicable to Solutions proposed.	333111, 333112
6	Proposer Physical Address:	2000 John Deere Run, Cary, NC 27513
7	Proposer website address (or addresses):	www.deere.com
8	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer):	Jennifer Smith - Contract Administrator 2000 John Deere Run, Cary, NC 27513 GovContractSupport@JohnDeere.com 800-358-5010 Ext. 2652
9	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Jennifer Smith - Contract Administrator 2000 John Deere Run, Cary, NC 27513 GovContractSupport@JohnDeere.com 800-358-5010 Ext. 2652
10	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Adrienne Larson, Sr. Strategic Account Manager 10789 S Ridgeview Rd, Olathe, KS 66061 LarsonAdrienneL@JohnDeere.com 913-310-8085

Table 2A: Financial Viability and Marketplace Success (50 Points)

Line Item	Question	Response *

11	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested Solutions.	We Run For All. We innovate on behalf of humanity. It doesn't matter if you've never driven a tractor, mowed a lawn, or operated a dozer. With our role in helping produce food, fiber, fuel and infrastructure, we work for every single person on the planet. Deere & Company, founded in 1837 (collectively known as John Deere), began as a simple one-man blacksmith. Today is has grown into a corporation that does business around the world. The company is guided by the same core values established by its founder: integrity, quality, commitment and innovation. John Deere produces intelligent, connected machines and applications that are helping revolutionize the agriculture and construction industries. Our easy-to-use products and solutions deliver results our customers see in the field, on the job site, and in their pockets. Deere & Company at a glance: https://www.deere.com/assets/pdfs/common/ourcompany/deere-&-company-at-a-glance.pdf
12	What are your company's expectations in the event of an award?	If awarded, John Deere will be able to offer a wide array of products that fall within the scope of the products requested in this RFP. John Deere will continue to grow its successful partnership and relationship with Sourcewell to provide its members the best option for acquiring our Ground Maintenance Equipment and Related Attachments.
13	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response. DO NOT PROVIDE ANY TAX INFORMATION OR PERSONALLY IDENTIFIABLE INFORMATION.	Please see Deere & Company's 2023 Annual Report that has been uploaded as part of our proposal.
14	What is your US market share for the Solutions that you are proposing?	John Deere considers its market share data to be proprietary information. While we do not publicly release market share information, John Deere holds a top-level market share position across our entire Ag & Turf product portfolio in the US.
15	What is your Canadian market share for the Solutions that you are proposing?	John Deere considers its market share data to be proprietary information. While we do not publicly release market share information, John Deere holds a top-level market share position across our entire Ag & Turf product portfolio in the Canada.
16	Disclose all current and completed bankruptcy proceedings for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a bankruptcy proceeding at any time during the pendency of this RFP evaluation.	Not Applicable
17	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer the question that best applies to your organization, either a) or b). a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	John Deere is a manufacturer (b). John Deere has a dedicated governmental sales department (SABD) based out of Cary, NC. All employees of this group are full time John Deere employees. We have 4 Strategic Account Managers responsible for state governmental sales in their respective geographies, dedicating 100% of their time to grow the John Deere governmental sales business. The account managers work with John Deere dealers to provide training and a greater understanding of the contracts and selling process. John Deere has a nationwide dealer network. The dealer network is independently owned and operated businesses. The John Deere dealers will deliver and service the products being offered in the RFP. Upon contract award, the John Deere dealers can become an authorized seller on our contract. The dealers would have to successfully complete a contract training program administered by our account managers. The dealers would agree to the contract's terms and conditions and sign a dealer agreement. We do retain the right to sell directly if the dealer does not complete training and accept the contract's terms and conditions.
18	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Deere & Company maintains all licenses and certifications necessary to conduct its business in the United States and Canada.

19	Disclose all current and past debarments or suspensions for Proposer and any included possible Responsible Party within the past seven years. Proposer must provide notice in writing to Sourcewell if it enters a debarment or suspension status any time during the pendency of this RFP evaluation.	There are no suspensions or debarments.
20	Describe any relevant industry awards or recognition that your company has received in the past five years.	2024 World's Most Ethical Companies – Ethisphere Institute World's Most Admired Companies – Fortune World's Best Companies of 2024 – Time Excellence 1000 Index – ranked #9 – Newsweek The Civic 50 Honoree 2024 – Points of Light 2023 Sourcewell Legacy Award Winner Ranked #3 for Brand Reputation - Axios/Harris Poll 100 World's Most Ethical Companies - Ethisphere Institute America's Best Large Employers - Forbes 100 Most Influential Companies - Times World's Most Admired Companies – Fortune 2022 World's Most Ethical Companies - Ethisphere Institute 50 Most Community-Minded Companies - The Civic 50 Consumer Electronics Show (CES) Innovation Awards AE50 Awards for Innovation 2021 World's Most Ethical Companies - Ethisphere Institute Most Admired Companies - Fortune Most Influential Black Corporate Directors for 2021 - Savoy Social Responsibility Award - Fast Company 2020 World's Most Ethical Companies - Ethisphere Institute Most Innovative Product Engineering Designs - AE50 Awards Best Global Brands - Interbrand Best CES Sustainability Award - GadgetMatch Best Place to Work - Glassdoor
21	What percentage of your sales are to the governmental sector in the past three years?	Due to proprietary information, we would prefer not to provide the sales volume history of government agencies. We can assure you that we are a partner who is fully aligned with governmental customer purchase requirements. With a dedicated governmental sales department that works solely with public agencies and our dealer network, we continue to increase our sales volume in this key segment.
22	What percentage of your sales are to the education sector in the past three years?	Due to proprietary information, we would prefer not to provide the sales volume history of government agencies. We can assure you that we are a partner who is fully aligned with governmental customer purchase requirements. With a dedicated governmental sales department that works solely with public agencies and our dealer network, we continue to increase our sales volume in this key segment.
23	List all state, cooperative purchasing agreements that you hold. What is the annual sales volume for each of these agreement over the past three years?	John Deere currently holds over 110 government contracts consisting of federal, state, county and cooperative contracts. The full list can be found at www.deere.com. Sales volumes are not publicly shared on any of these contracts.
24	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	John Deere currently holds GSA, AFNAF and DLA contracts. Sales volumes are not publicly shared on any of these contracts.

Table 2B: References/Testimonials

Line Item 25. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *
University of Georgia Procurement	Megan Sheridan	706-542-7083
Orange County Procurement	Carlos Corona	714-667-9694
State of Indiana - Sourcewell Participating Addendum	Stephanie Nelson	317-234-0963

Table 3: Ability to Sell and Deliver Solutions (150 Points)

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *
26	Sales force.	Our sales force would include both the John Deere Government Sales group and our independent dealer network. John Deere has a dedicated governmental sales department based in Cary NC that focuses 100% of their time on the sales and processing of agriculture and turf equipment purchases to governmental and other public agencies. We have a total of 5 Strategic Account Managers, one of which is dedicated strictly to federal sales. The 4 remaining account managers are responsible for state governmental sales in their respective geographies, dedicating 100% of their time to grow the John Deere governmental sales business. The account managers work with John Deere dealers to provide training and a greater understanding of the contracts and selling process. The John Deere dealers can also become an authorized seller on our contract and would be able to accept Purchase Orders and Invoice Sourcewell members. The dealers would have to successfully complete a contract training program administered by our account managers. The dealers would agree to the contract's terms and conditions and sign a dealer agreement. The dealers would be responsible for delivering and supporting the equipment purchased. In relation to the new Sourcewell Grounds Maintenance contract, the account managers would promote the contract to state purchasing agents who either do not have their own purchasing contract or have product gaps in their contract.
27	Describe the network of Authorized Sellers who will deliver Solutions, including dealers, distributors, resellers, and other distribution methods.	John Deere has a nationwide independent dealer network offering best-in-class parts, service, and support. We know the government customer and make everything easy, from the initial purchase to service and support. Our dealer network, with over 1,700 locations nationwide, would be responsible for delivering and servicing the equipment sold to end users using this contract. John Deere dealers offer a combination of afterhours service (varies by dealer) and online support (online parts ordering system), which gives end-users the service needed to avoid costly downtime. The John Deere parts ordering system is available for all dealers and gives them access to over 800,000 unique parts which are ready to ship overnight, if needed. Most dealers also offer some form of mobile maintenance service, which provides on-site service. Dealer technicians are factory-trained on the service and support of the products offered in this RFP
28	Service force.	John Deere has a nationwide independent dealer network offering best-in-class parts, service, and support. We know the government customer and make everything easy, from the initial purchase to service and support. Our dealer network, with over 1,700 locations nationwide, would be responsible for delivering and servicing the equipment sold to end users using this contract. John Deere dealers offer a combination of afterhours service (varies by dealer) and online support (online parts ordering system), which gives end-users the service needed to avoid costly downtime. The John Deere parts ordering system is available for all dealers and gives them access to over 800,000 unique parts which are ready to ship overnight, if needed. Most dealers also offer some form of mobile maintenance service, which provides on-site service. Dealer technicians are factory-trained on the service and support of the products offered in this RFP.
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	We will have two processes in which Sourcewell members can order products. 1. Dealer Direct - John Deere dealers who have completed training and certified by the Government Sales group would be an authorized seller on our contract. The dealer would be able to quote, accept purchase orders and invoice the Sourcewell member directly. The Government Sales group has a sales reporting process to capture the sale and report it to Sourcewell. 2. Deere Direct - Our dealer network has the ability to quote a Sourcewell member. John Deere would still be the vendor and the PO would still be made out to John Deere. The dealer would upload the quote and PO to the Government Sales Order Processing for audit. Once audited, we will send the dealer confirmation to deliver the equipment. John Deere will invoice the member upon delivery of the product. The Government Sales group has a sales reporting process to capture the sale and report it to Sourcewell.

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	The support of the equipment takes place through the John Deere dealer network. While customer service varies within the dealer network, the consistent training that is offered by John Deere Company to dealer technicians and parts personnel helps provide each agency with a similar customer experience. Should there be a need for equipment service, it will be the Sourcewell member's responsibility to contact the delivering dealer for service. The member can also work with other dealers, if necessary, as warranty and service work can be performed by any authorized John Deere dealer. In the event of service issues that cannot be solved by the John Deere dealer, the dealer works with John Deere Company's dealer technical assistance center for elevated support. As far as the John Deere Government Sales Department, we have an entire department of approximately 25 people dedicated to government sales. This includes an Order Management Team, that within an average of 15 days of submission, audits and processes the PO to verify contract pricing and verify the items quoted are eligible for the contract. Contract Administrators in the department ensure contract compliance is maintained.
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities.	John Deere will serve Sourcewell member entities in the United States. The nationwide John Deere dealer network is able to provide products and services throughout the United States. Equipment Delivery Time After Receipt of Order (ARO) is as follows: 1. Grounds Maintenance Equipment - 90 to 365 days after receipt of order. 2. Related Attachment and Accessories - 90 to 365 after receipt of order.
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	John Deere will serve Sourcewell member entities in Canada. The Canadian John Deere dealer network is able to provide products and services throughout Canada.
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed agreement.	John Deere will serve the entire United States, including Alaska and Hawaii, and Canada.
34	Identify any account type of Participating Entity which will not have full access to your Solutions if awarded an agreement, and the reasoning for this.	John Deere will serve all Sourcewell member entity sectors.
35	Define any specific requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	John Deere has assigned dealer in Hawaii and Alaska. Factory to dealer freight and local delivery by the dealer will be quoted as a separate line item and paid by the Sourcewell member.
36	Will Proposer extend terms of any awarded master agreement to nonprofit entities?	John Deere will serve all Sourcewell member entity sectors.

Table 4: Marketing Plan (100 Points)

Line Item	Question	Response *
37	Describe your marketing strategy for promoting this opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	John Deere currently uses several forms of marketing to target the governmental and public customer segment: 1. We have created a website where we prominently advertise the cooperative contracts we currently hold. 2. Each year, the company produces a purchasing guide for government equipment. This purchasing guide, available in both print and electronic Flash Drive format, is used by the John Deere dealer network to promote the products. 3. John Deere also prints detailed marketing brochures for the products being offered in this RFP. This literature is made available to dealers and includes features and benefits and equipment specifications. A sample of marketing materials have been uploaded for review and include: Government Municipal Lease Literature, Government Sales Folder Packet and Government Sport Turf Banner.
38	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	John Deere's public website, www.deere.com, provides detailed product information for the products being offered in this RFP. Customers are able to view information on product features, specifications, and accessories. Utilizing www.deere.com, Sourcewell members would be able to "build-their own" product. Customers choose the product category and subsequent product options to configure their desired piece of equipment. Manufacturer's Suggested Retail List Price is shown. The website will not show the Sourcewell contract discount, but if the Sourcewell member knows the discount on the particular product category, they will be able to determine their purchase price. Through our Marketing Communications group, John Deere is also active promoting our brand and customer relationships on; 1. Facebook - www.facebook.com/JohnDeereUSCA 2. Twitter - https://twitter.com/JohnDeere 3. YouTube - https://www.youtube.com/user/JohnDeere 4. Instagram - instagram.com/johndeere
39	In your view, what is Sourcewell's role in promoting agreements arising out of this RFP? How will you integrate a Sourcewell-awarded agreement into your sales process?	Sourcewell, the John Deere Government Sales group and the dealer network will all play a critical role in promoting this new contract. Sourcewell's role will be to continue to promote the John Deere brand to Sourcewell members, so they understand cooperative purchasing and the benefits of becoming a member. John Deere Government sales role will be to promote the Sourcewell contract to the dealer network and properly train dealers on the sales process (quoting, ordering and delivery of products), ensure entities are Sourcewell members and assist nonmembers on how to become a member. The dealers' role will be to partner with the Sourcewell member to identify the correct product and solution based on the application and use of the equipment being purchased. Continued communication between all three areas is critical for success and sales growth with this new contract.
40	Are your Solutions available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	We currently use e-procurement systems in North Carolina and Virginia (eVA) because we are contractually required to do so. The system does provide the state a constant record of sales activity, however, administratively, e-procurement is not a seamless process for us. When it comes to John Deere equipment, there are thousands of equipment configurations. Because Deere's price pages are in pdf format, we cannot just simply upload the pricing into the e-procurement systems. We have to manually construct base machines by model and enter them individually. Doing it this way means the agency is not getting the complete picture of what we have available. For the most part, agencies still feel most comfortable with working directly with the dealer to ensure they're getting equipment that will best suit their needs.

Table 5A: Value-Added Attributes (100 Points)

Line Item	Question	Response *
41	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Training on equipment operation and safety is provided through the local dealer at the time of delivery. The dealer will provide a walk-around of the equipment and explain operation and maintenance procedures. This training is free of charge and is part of the purchase. If the entity requires additional product, service or technical training, the dealer will provide at a cost agreed to between the dealer and the entity.

42	Describe any technological advances that your proposed Solutions offer.	Recent technological advances that have been introduced include: 1. New for 2024, the Q800 QuikTrac Mowers lineup updates the E Series and introduces the all-new M and R Series models with 7Iron PRO Mower Decks. These models deliver features to meet the needs of professional landscape contractors like more powerful engines, proven low maintenance decks, concrete curb clearance, all-day operation without the need to refuel, traction when its needed, comfortable operator platform, and longer warranties. 2. John Deere is working towards connecting all commercial mowers to John Deere Operations Center to enable professional landscape contractors and government agencies to manage their fleets remotely. Select model year 2024 and 2025 mowers include provisions in the wiring harness to simplify field installation of JDLink M Modem – 4G which connects the mower to Operations Center. 3. Fastback™ PRO Rear-Discharge Mower Deck for the gas and diesel Z900 Ztrak Mowers. The rear-discharge mower deck increases productivity and improves operator comfort without sacrificing cut quality. The rear-discharge design, the chance of damage from objects being thrown from the mower deck is decreased, and minimize the amount of debris blown onto the operator. While allowing the operators to mow closely around fixed objects with either side of the deck. 4. Compact Tractor Quik-Knect™ System Awarded with 2020 AE50 Award. The Quik-Knect System was Named One of This Year's Most Innovative Products in the Food and Agriculture Industry. Quik-Knect prevents twisting or forcing to line-up the splines when attaching rear implements. Developed to help increase operator ease and enhance productivity. Operators slide the tractor and implement connectors together until they click into place. 5. Commercial Walk Behind Mowers Recognized with 2020 AE50 Award. The AE50 awards highlight the most innovative designs in product engineering. The recoil start M Series and electric start R Series Walk Behind Mowers have been a gamechanger for the commercial mowing industry. Redesigned machines directly address the primary customer needs of productivity, operator comfort, weight distribution, and frame clearance.
43	Describe any "green" initiatives that relate to your company or to your Solutions, and include a list of the certifying agency for each.	John Deere continually evaluates and identifies these initiatives and can be found in our most recently published Sustainability Report. https://www.deere.com/en/our-company/sustainability/ John Deere green initiatives include: By 2026 1. Ensure 100% of new Small Ag equipment is connectivity enabled. 2. Offer an electric option in each Turf and Compact Utility Tractor product family. 3. Deliver a fully autonomous, battery-powered electric ag tractor to the market. By 2030 1. Achieve 95% recyclable product content. 2. Ensure 65% of product content is sustainable material.
44	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the Solutions included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Sustainability is foundational to the John Deere strategy. We are committed to reducing the environmental impact on 90% of new products to include emissions reductions, and invest $4 Million dollars per day in research and development. Third-party initiatives and recognition include: 1. Best of CES Sustainability Award (GadgetMatch) 2. 50 Sustainability & Climate Leader (Bloomberg) 3. World's Most Ethical Companies (Ethisphere) 4. John Deere received notification that its emissions reduction targets have been validated by Science Based Targets initiatives (SBTi). 5. John Deere acquires majority ownership in Kreisel Electric. A leading pioneer in the development of immersion-cooled battery technology. John Deere continually evaluates and identifies these initiatives and can be found in our most recently published Sustainability Report.https://www.deere.com/en/our-company/sustainability/
45	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	John Deere is the world's leading manufacturer of agricultural equipment. John Deere also has a strong presence in the construction and forestry industry. John Deere is a major force in the grounds maintenance and commercial landscape equipment industry. John Deere Financial is one of the largest equipment finance companies. John Deere also has the most advanced, well-trained national dealer network. All these attributes reinforce that John Deere is an organization that will provide quality products, and its dealer network will partner and support the Sourcewell participating entities for the long term.

46	Describe the safety features your equipment offers such as emergency stop, operator presence control, roll over protection systems, guarding, noise reduction, stability controls, warning lights, etc.	John Deere places operator safety first when designing and introducing new safety features. All John Deere equipment - except for machines classified as 'Lawn Tractors' or 'Lawn and Garden tractors' - have a seatbelt and ROPS (external or built into the cab). John Deere riding lawn or garden tractors are all equipped with an auto-shutoff feature. When weight is taken off the seat, the mower or power take off (PTO) will immediately turn off. The tractor will not turn on again until weight is back in the seat. Guards or shields are in place to conceal the fast-moving power take off (PTO) shaft on implements to prevent any injury. John Deere implemented the engagement override valve in all 50 series and newer tractors in the early 1980s, which means the tractor will not move unless the clutch is cycled. The override valve prevents tractors that are left in gear from moving upon startup. Along with the engagement override valve, all John Deere equipment is equipped with a neutral start switch preventing equipment from starting while in gear. The colour-coded system present on all John Deere equipment from 1975 onward, indicates the related function of every switch, lever and other mechanisms. Red is associated with running the machine (key switch, shut off knob, throttle or speed control, and gear shift), black relates to the hydraulics, and yellow correlates with the PTO functions (PTO on/off, PTO speed, etc).
47	Describe any ergonomic features your equipment has such as anti-vibration, suspension and swivel seating, adjustable handles, ergonomic control layout for ease of reach, padded shoulder straps or harnesses, easy pull-start cords, etc.	John Deere has prioritized ergonomic features while designing our equipment. For the M & R Series commercial walk-behinds, hands were what was considered first when designing the controls on these machines. Hand position is important for minimum fatigue. Levers that didn't need constant force to operate. To slow down or turn, all you need to do is gently squeeze the handles. With ergonomic controls and adjustable seating, operators of all sizes can comfortably handle long hours at the controls. The John Deere Compact Tractors are designed with ergonomic features, including a comfortable seat, controls that are easily within reach, and adjustable steering wheels. Noise reduction is also considered. John Deere tractors are designed to minimize noise and vibration levels, providing a quieter and more comfortable working environment for operators.
48	Describe features your equipment offers that positively impact the environment such as low-emission engines, battery powered and electric, eco-mode settings, biodegradable fuel use, water conservation technology, solar powered charging capability, smart technology, auto-shut off/no-idling systems, etc.	John Deere has created a Product Sustainability goal where we offer machines and technology solutions that are not only more productive and efficient but also minimize the impact on the environment. Some Product Sustainability Goals include: 1. Reduce environment impact, including CO2 emissions on 90% of new products. 2. Increase the use of sustainable materials by growing remanufactured and rebuild sales by 30%. 3. Increasing recyclable, renewable and recycled content. Further we have received the following awards: Best Global Brands - Interbrand Top Ten Innovative Companies in U.S. - American Innovation Index World's Most Ethical Companies - Ethisphere Institute
49	Describe the serviceability of the products included in your proposal (parts availability, warranty and technical support, etc.)	The average lifespan of a residential John Deere lawn tractor is 10 years or 5000 hours. The commercial mowers are designed to be used more per week and take more abuse. A John Deere can regularly last four to five times the factory warranty if maintained and used correctly. John Deere equipment includes one copy of the operator's manual upon delivery of the equipment. Other manuals are available for purchase upon request such as the technical and parts manuals. John Deere Warranty terms are limited to years or hours used, whichever comes first, and varies by model. See the LIMITED WARRANTY FOR NEW JOHN DEERE TURF AND UTILITY EQUIPMENT at JohnDeere.com or JohnDeere.ca/TUWarranty for details.

Table 5B: Value-Added Attributes

Line Item	Question	Certification	Offered	Comment
50	Select any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation and a listing of dealerships, HUB partners or re-sellers if available. Select all that apply.		(•) Yes ( ) No	John Deere continues to proactively engage small and diverse businesses to support the economic growth of communities. Benefits of a thriving Supplier Diversity Program include: 1. Generates economic opportunities for disadvantaged communities. 2. Promotes supply base competition and creates risk mitigation options. 3. Unlocks innovation and diversity of thought. John Deere Government Sales is increasingly setting aside opportunities for small business entities. John Deere Government Sales has partnered with two small business entities to address this gap. Bravo, Inc. and The Akana Group (Akana). Bravo, Inc. is a certified Service-Disabled Veteran Owned Small Business and Akana is an authorized Native American Small Business.
51		Minority Business Enterprise (MBE)	(•) Yes ( ) No	The Akana Group (Akana), Akana is an authorized Native American Small Business.
52		Women Business Enterprise (WBE)	( ) Yes (•) No	n/a
53		Disabled-Owned Business Enterprise (DOBE)	( ) Yes (•) No	n/a
54		Veteran-Owned Business Enterprise (VBE)	( ) Yes (•) No	n/a
55		Service-Disabled Veteran-Owned Business (SDVOB)	(•) Yes ( ) No	Bravo, Inc. is a certified Service-Disabled Veteran Owned Small Business
56		Small Business Enterprise (SBE)	(•) Yes ( ) No	The Akana Group (Akana), Akana is an authorized Native American Small Business.
57		Small Disadvantaged Business (SDB)	( ) Yes (•) No	n/a
58		Women-Owned Small Business (WOSB)	( ) Yes (•) No	n/a

Table 6: Pricing (400 Points)

Provide detailed pricing information in the questions that follow below.

Line Item	Question	Response *
59	Describe your payment terms and accepted payment methods.	John Deere's payment terms are Net 30.
60	Describe any leasing or financing options available for use by educational or governmental entities.	John Deere offers financing and leasing options through John Deere Financial. The John Deere Municipal Lease Purchase Plan is a special low rate financing plan that is designed to provide flexibility of leasing while building equity toward ownership of the John Deere equipment. Any state or local government body or their political subdivisions may be eligible for the John Deere Municipal Lease Purchase Plan, subject to approval and if the agencies rules and guidelines allow.
61	Describe any standard transaction documents that you propose to use in connection with an awarded agreement (order forms, terms and conditions, service level agreements, etc.). Upload all template agreements or transaction documents which may be proposed to Participating Entities.	John Deere dealers use a quoting system called JDQuote2 which allows them to access the Sourcewell contract held by John Deere and apply the correct discount for equipment on contract. John Deere dealers can also become an authorized seller on our contract and would be able to accept Purchase Orders and Invoice Sourcewell members. The dealers would agree to the contract's terms and conditions and sign a dealer agreement. Examples of a Quote and Dealer Agreement are attached.

62	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	No
63	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	John Deere is offering product-category discounts. See uploaded Price Schedule and Price Pages.pdf.
64	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	The percentage discount range is 4% to 24% off Current MSRP.
65	Describe any quantity or volume discounts or rebate programs that you offer.	John Deere offers a Multiple Unit Discount (MUD) based on the following schedule: 3-4 units – 1% 5-6 units – 2% 7-8 units – 3% 9 units or more – 4% For sales of three or more like self-propelled equipment sold to one customer on the same purchase order qualifies for an additional discount. Implements and attachments sold with and for self-propelled ride-on machines are also eligible for multi-unit discounts, but do not count towards the total number of ride-on units, which determines the multi-unit discount percentage. Frontier Equipment is excluded from the Multiple Unit Discount.
66	Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "non-contracted items". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request.	John Deere will allow Sourced or Open Market items if requested by the Sourcewell member to complete the purchase of John Deere equipment awarded on the contract. Discounts will not be applied to these items. Non-contract and allied items would be sold as "open market" and the price of the item would be negotiated between the John Deere dealer and the Sourcewell Member. The non-contract/allied item would appear on the purchase order (PO) with the contract item but would be listed as 'non-contract". We successfully use this process on other contracts.
67	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	For deliveries to Alaska, Hawaii, factory freight to the delivering dealer will be paid by the Sourcewell member. Factory freight is known at the time of quoting and will be included on the quote to the Sourcewell member. The dealer may charge $8.00 per loaded mile to deliver equipment from the dealership to the agency's location. The charge must appear on the quote or purchase order.
68	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	For deliveries to Alaska, Hawaii, factory freight to the delivering dealer will be paid by the Sourcewell member. Factory freight is known at the time of quoting and will be included on the quote to the Sourcewell member. The dealer may charge $8.00 per loaded mile to deliver equipment from the dealership to the agency's location. The charge must appear on the quote or purchase order.
69	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	For deliveries to Alaska, Hawaii, factory freight to the delivering dealer will be paid by the Sourcewell member. Factory freight is known at the time of quoting and will be included on the quote to the Sourcewell member.
70	Describe any unique distribution and/or delivery methods or options offered in your proposal.	None

71	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed agreement with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing.	Dealers who desire to become an authorized seller of the Sourcewell contract must complete a sales training class to ensure they understand and promote the contract per the Terms and Conditions. The dealers also sign a Dealer Agreement stating, they will abide by the contract Terms and Conditions. This process is conducted and facilitated by our Strategic Account Managers. Sourcewell members who purchase from John Deere will receive their equipment quote directly from the John Deere dealer. The dealer is able to create the quote by utilizing the contract information (discounts, contract guidelines, eligible equipment, etc.) that we have posted on our website as well as a quoting tool that we've made available to them. The member will submit their purchase order (PO) to the dealer. John Deere will be listed as the vendor on the PO and the dealer, who created the quote, will be the delivering dealer. The dealer will then upload the quote and the PO to Deere's online order management system. Our Order Management Team will then retrieve the quote and the PO and audit them based on the contract guidelines. If an issue is discovered with PO and/or quote, the Order Management Team will contact the dealer and work with the dealer and the member to get the issue resolved. The Sourcewell contract is assigned a Price Group or Bonus Code that is used capture each sale on a quarterly basis. A quarterly sales report is generated and audited by the Contract Administration group. After the audit and review is completed, the Contract Administration group submits the proper admin fee to Sourcewell.
72	If you are awarded an agreement, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the agreement.	Our Strategic Account Managers have sales goals and will monitor the use of the Sourcewell contract and the sales performance of the dealer groups in their assigned geographic region. Quarterly sales reports are reviewed to compare the Sourcewell contract sales growth quarter over quarter and year over year.
73	Provide a proposed Administration Fee payable to Sourcewell. The Fee is in consideration for the support and services provided by Sourcewell. The propose an Administrative Fee will be payable to Sourcewell on all completed transactions to Participating Entities utilizing this Agreement. The Administrative Fee will be calculated as a stated percentage, or flat fee as may be applicable, of all completed transactions utilizing this Master Agreement within the preceding Reporting Period defined in the agreement.	John Deere will pay Sourcewell a 1.0% admin fee on sales generated from this new contract. John Deere has been a strategic partner of Sourcewell for 14 years and we are honored to be awarded the Sourcewell Legacy Award in 2023. The Sourcewell contracts we hold are very popular and frequently used by our dealers. The utilization continues to grow and expand.

Table 7: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
74	The pricing offered is as good as or better than pricing typically offered through existing cooperative contracts, state contracts, or agencies.	Pricing offered in this bid is consistent with discounts offered on existing current-priced contracts held by Deere.

Table 8A: Depth and Breadth of Offered Solutions (200 Points)

Line Item	Question	Response *
75	Provide a detailed description of all the Solutions offered, including used, offered in the proposal.	John Deere will offer its complete product offering that fall within the scope of this RFP. Description of the products John Deere will offer include: Residential Zero Turn Radius Mowers Lawn Tractors Garden Tractors Equipment for Lawn & Garden Tractors Commercial Walk-Behind Mowers Commercial QuikTrack Mowers Commercial Zero Turn Radius Mowers Commercial Front Mowers Commercial Wide Area Mowers Equipment for Commercial Mowers Compact Utility Tractors Equipment for Compact Utility Tractors Reel Mowers Special Application Mowers Special Application Vehicles Aercore Debris Maintenance Mid-size Crossover Utility Vehicles Full-size Crossover Utility Vehicles Traditional Utility Vehicles HPX Utility Vehicles Frontier Implements and Attachments Our independent dealer network will provide aftermarket services upon request.
76	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	See response to question 75 for categories of equipment John Deere will offer within this RFP. Only Frontier Implements and Attachments would contain further subcategories: Frontier: -Cutting & Mowing -Hay & Forage -Landscape -Livestock -Material Handling -Planting & Seeding -Snow Equipment -Tillage -Sprayers

Table 8B: Depth and Breadth of Offered Solutions

Indicate below if the listed types or classes of Solutions are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments
77	Lawn and garden equipment for all types of lawn, field and turf care, golf course, landscape, sidewalk, walking path, and parking lot maintenance, and snow removal	(•) Yes ( ) No	See uploaded Price Schedule and Price Pages.pdf.
78	Irrigation and aeration equipment, systems, parts, and installation	( ) Yes (•) No	No bid
79	Beach and waterfront maintenance equipment and accessories	( ) Yes (•) No	No bid

Table 9: Exceptions to Terms, Conditions, or Specifications Form

Line Item 80. NOTICE: To identify any exception, or to request any modification, to Sourcewell standard Master Agreement terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Master Agreement Template provided in the "Bid Documents" section. Proposer must upload the redline in the "Requested Exceptions" upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcewell and will not automatically be included in the Master Agreement.

Do you have exceptions or modifications to propose?	Acknowledgement *
	○ Yes ◉ No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as "Marketing Plan."

- Pricing - Price Pages.zip - Monday November 25, 2024 14:23:36
- Financial Strength and Stability - 2023-deere-company-annual-report.pdf - Wednesday November 20, 2024 17:16:04
- Marketing Plan/Samples - Marketing Literature Samples.pdf - Wednesday November 20, 2024 17:24:07
- WMBE/MBE/SBE or Related Certificates (optional)
- Standard Transaction Document Samples - Combined Quote - Dealer Agree - Invoice.pdf - Tuesday November 26, 2024 10:14:33
- Requested Exceptions (optional)
- Upload Additional Document - Warranty Statement Ag - Turf - Golf.pdf - Tuesday November 26, 2024 10:15:24

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT OF COMPLIANCE

I certify that I am an authorized representative of Proposer and have authority to submit the foregoing Proposal:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for award.

3. The Proposer certifies that:

(1) The prices in this Proposal have been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Proposer or competitor relating to-

(i) Those prices;

(ii) The intention to submit an offer; or

(iii) The methods or factors used to calculate the prices offered.

(2) The prices in this Proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before award unless otherwise required by law; and

(3) No attempt has been made or will be made by Proposer to induce any other concern to submit or not to submit a Proposal for the purpose of restricting competition.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest is created when a current or prospective supplier is unable to render impartial service to Sourcewell due to the supplier's: a. creation of evaluation criteria during performance of a prior agreement which potentially influences future competitive opportunities to its favor; b. access to nonpublic and material information that may provide for a competitive advantage in a later procurement competition; c. impaired objectivity in providing advice to Sourcewell.

5. Proposer will provide to Sourcewell Participating Entities Solutions in accordance with the terms, conditions, and scope of a resulting master agreement.

6. The Proposer possesses, or will possess all applicable licenses or certifications necessary to deliver Solutions under any resulting master agreement.

7. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

8. Proposer its employees, agents, and subcontractors are not:

1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;
2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or
3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Jennifer Smith, Contract Administrator, Deere & Company

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the obligations contemplated in the solicitation proposal.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum**" below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum 6 Grounds Maintenance Eqpt RFP Tue November 12 2024 03:29 PM	☑	1
RFP 112624 Grounds Maintenance Equipment Pre-Proposal Recording Link Mon November 11 2024 08:17 AM	☑	1
Addendum 5 Grounds Maintenance Eqpt RFP Fri November 8 2024 10:31 AM	☑	2
Addendum 4 Grounds Maintenance Eqpt RFP Mon November 4 2024 04:03 PM	☑	1
Addendum 3 Grounds Maintenance Eqpt RFP Mon October 28 2024 03:53 PM	☑	2
Addendum 2 Grounds Maintenance Eqpt RFP Wed October 16 2024 08:40 AM	☑	2
Addendum 1 Grounds Maintenance Eqpt RFP Wed October 9 2024 07:54 AM	☑	2

RESOLUTION NO. 2026-___

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING INTERIM CITY MANGER TO WAIVE BID PROCESS, PURCHASE FOUR (4) JOHN DEERE PRO GATOR 2030A DIESEL MODEL UTILITY VEHICLES FROM BELKORP AG OF STOCKTON, CA AND APPROPRIATE FUNDS ($180,000)

==========

WHEREAS, Parks, Recreation and Cultural Services Department (PRCS) currently has five (5) utility vehicles that are non-operational due to replacement parts no longer being available; and

WHEREAS, Staff has compared other utility vehicles and pricing and believes that the John Deere model provides greater safety features and towing capacity than comparable units offered by other manufacturers at a reasonable price; and

WHEREAS, City Council authorized city participation in cooperative purchasing programs such as the US Communities Nationwide Purchasing Program and Sourcewell Grounds Maintenance Equipment Contract #112624-DAC is part of this program, offering a discounted rate; and

WHEREAS, PRCS requests City Council adopt a resolution authorizing Interim City Manager to waive the bid process and award a purchase order to BELKORP AG of Stockton, CA, for the purchase of four (4) John Deere Pro Gator 2030A Diesel Model Utility Vehicles and appropriate $180,000; and

WHEREAS, funding is available in PRCS 647 Vehicle Fund.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Interim City Manager to waive the bid process and purchase four (4) John Deere Pro Gator 2030A Diesel Model Utility Vehicles, in the amount of $180,000; and

BE IT FURTHER RESOLVED that the Lodi City Council does hereby authorize an appropriation of funds, in the amount of $180,000, to the following account: 64799100.77040 (Expense).

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing the Lodi Police Department to Participate in the Department of Alcoholic Beverage Control (ABC)-Office of Traffic Safety (OTS) Grant Program Approving the Execution of the Grant Documents by the Chief of Police on Behalf of the City of Lodi and Appropriating Funds ($30,000) (PD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Candice Alaniz, Management Analyst

RECOMMENDED ACTION:
Adopt a resolution authorizing the Lodi Police Department to participate in the Department of Alcoholic Beverage Control's Alcoholic Beverage Control (ABC)-Office of Traffic Safety (OTS) grant program funded by the Office of Traffic Safety through the National Highway Traffic Safety Administration and authorize the Chief of Police to execute the grant documents on behalf of the City, and appropriate funds in the amount of $30,000.

BACKGROUND INFORMATION:
The Department of Alcoholic Beverage Control (ABC) Grant Assistance Program solicited applications in September 2025 for alcohol-related enforcement and educational programs. On September 26, 2025, the Lodi Police Department received an acceptance letter securing grant funds in the amount of $30,000 for Fiscal Year 2025/26.

The funds will be used for Minor Decoy and Shoulder Tap operations to reduce youth access to alcohol, Informed Merchants Preventing Alcohol-related Crime Tendencies (IMPACT) inspections, and enforcement during the holidays. These programs increase safety on our public roadways by addressing alcohol-related harm in the community.

Consistent with the grant timeline, October 1, 2025 through August 31, 2026, staff further requests that unspent appropriations at the end of Fiscal Year 2025-26 roll to Fiscal Year 2026-2027.

FISCAL IMPACT:
Funds in the amount of $30,000 be appropriated as follows:

ABC Grant	$ 30,000.00	21900000.56401	Revenue
ABC Grant Overtime	$ 29,400.00	21999000.71002	Expense
ABC Grant Medicare	$ 600.00	21999000.71015	Expense

FUNDING AVAILABLE:
Not Applicable.

SCO ID: 2100-26OTS110

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES
STANDARD AGREEMENT
STD 213 (Rev. 04/2020)

AGREEMENT NUMBER	PURCHASING AUTHORITY NUMBER (If Applicable)
26-OTS110	ABC-2100

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
October 1, 2025

THROUGH END DATE
August 31, 2026

3. The maximum amount of this Agreement is:
$ 30,000.00 Thirty thousand dollars and no cents

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.

Exhibits		Title	Pages
	Exhibit A	Scope of Work	2
	Exhibit B	Budget Detail and Payment Provisions	3
	Exhibit C *	General Terms and Conditions (GTC 02/2025)	4
+ -	Exhibit D	Special Terms and Conditions	1

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	CITY	STATE	ZIP
215 W. Elm Street	Lodi	CA	95240

PRINTED NAME OF PERSON SIGNING	TITLE
Ricardo Garcia	Chief of Police

CONTRACTOR AUTHORIZED SIGNATURE	DATE SIGNED

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Alcoholic Beverage Control

CONTRACTING AGENCY ADDRESS	CITY	STATE	ZIP
3927 Lennane Drive, Suite 100	Sacramento	CA	95834

PRINTED NAME OF PERSON SIGNING	TITLE
Pattye Baker	Chief, Business Management Branch

CONTRACTING AGENCY AUTHORIZED SIGNATURE	DATE SIGNED

CALIFORNIA DEPARTMENT OF GENERAL SERVICES APPROVAL	EXEMPTION (If Applicable)
Approved as to Form:	

WILLIAM C. BAIRD
Deputy City Attorney II WCB

EXHIBIT A
SCOPE OF WORK

Purpose and Description of Services

Contractor agrees to implement the Department of Alcoholic Beverage Control programs as listed:

- Minor Decoy operations – designed to educate and deter licensed locations from selling/furnishing alcohol to minors and shall be conducted at both "On-Sale" and "Off-Sale" licensed establishments within the operations period of the grant.

- Shoulder Tap operations – used to detect and deter adult furnishers outside of a licensed business and shall be performed at "Off-Sale" licensed locations to apprehend adults that are unaffiliated with the licensed businesses who are purchasing alcohol for minors outside of the stores within the operation period of the grant.

- Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) Inspections – primary goal is to educate licensees on alcohol related laws to help reduce alcohol-related crime in and around licensed premises. Contractor agrees to conduct visits and inspections of licensed premises identifying areas of non-compliance at "On-Sale" and "Off-Sale" licensed locations within the operation period of the grant.

- Holiday Enforcement – This program consists of working general undercover and high-profile enforcement targeting underage drinking, sales/furnishing to minors, sales to obviously intoxicated patrons, and other related violations.

  Holidays shall be defined as:
  - Halloween – Friday, October 31 to Sunday, November 2, 2025
  - Thanksgiving – Wednesday, November 26 to November 30, 2025
  - New Year's Eve – Wednesday, December 31, 2025
  - St. Patrick's Day – Friday, March 13 to Tuesday, March 17, 2026
  - Cinco de Mayo – Friday, May 1 to Tuesday, May 5, 2026
  - Memorial Day Weekend – Friday, May 22 to Monday, May 25, 2026
  - 4th of July – Friday, July 3 to Sunday, July 5, 2026

The project is targeted to reduce underage drinking and the resultant DUI driving injuries and fatalities, and/or property damages, reduce youth access to alcoholic beverages through the education of licensee, enforcement intervention and the impressions of omnipresence of law enforcement.

In addition, contractor agrees to the following goals:

- Raise public awareness that selling, serving and/or furnishing alcoholic beverages to individuals under twenty-one years old is a criminal violation that will be prosecuted by local city and district attorneys.

- Establish and implement a coordinated effort between contactor and ABC, and acknowledges no operations will be conducted until after the contractor's representative has completed training conducted by ABC.

- Issue press releases as follows:
  - To announce the start of the program
  - At the conclusion of each Minor Decoy Operation held (to announce the number of licensed premises who sold to the minor decoy).
  - At the conclusion of each Shoulder Tap Operation held (to announce the number of adults arrested for purchasing alcoholic beverages for the decoy).
  - At the conclusion of each IMPACT operation held.

- Email each press release to the Department's Public Information Office, pio@abc.ca.gov as soon as it is released.

- In all press releases, in addition to any credits the agency wishes to give, will include the following statement: "This project is part of the Department of Alcoholic Beverage Control's Minor Decoy/Shoulder Tap Grant Project, funded by the California Office of Traffic Safety through the National Highway Traffic Safety Administration."

- Complete and submit bi-monthly reports, in a format designed by ABC due no later than the following:
  - On or before January 15, 2026 (with results of operations October, November & December 2025)
  - On or before March 15, 2026 (with results of operations January & February 2026)
  - On or before May 15, 2026 (with results of operations March & April 2026)
  - On or before July 15, 2026 (with results of operations May & June 2026)
  - On or before September 15, 2026 (With results of operations July & August 2026)

- Submit an Executive Summary as part of the final report due on or before September 15, 2026. The summary shall contain the following:
  - An evaluation statement concerning the end product and cost benefits; and a listing of recommended and/or adopted policy or procedure changes, if any, occurring as a result of the project.
  - Project personnel identifying the key personnel who worked on the project, together with their job classification, and a brief description of their contribution.
  - Problems – describe any operational or cost problems that were encountered in project implementation. If known, state alternative methods that would have avoided the problem and increased the effectiveness of the project.
  - Results – describe the results of the project in terms of meeting the original objectives as stated in the project agreement. Also, describe the results in terms of how they will be specifically applied for future improvement of the agency's continuing activities relating to alcohol problem prevention and enforcement. Where possible, describe estimated savings resulting from implementing project results.
  - Disclaimer – The final report shall include the following: "*The opinions, findings, and conclusions expressed in this publication are those of the authors and not necessarily those of the State of California, Business, Consumer Services and Housing Agency, or the Department of Alcoholic Beverage Control."*
  - Documentation – Attach any relevant documents developed. Examples are new or revised forms, diagrams, management reports, photos, coding manuals, instructional manuals, etc.

Contract Term

The operation period of the grant is October 1, 2025 through August 31, 2026

Project Representatives

The project representatives during the term of this agreement will be:

Lodi Police Department	Alcoholic Beverage Control
Sgt. Ryan LaRue	Diana Fouts-Guter, Grant Coordinator
215 W. Elm Street	3927 Lennane Drive, Suite 100
Lodi, CA 95240	Sacramento, CA 95834
(209) 333-6873	(916) 928-9807
rlarue@lodi.gov	Diana.fouts-guter@abc.ca.gov

Lodi Police Department	Alcoholic Beverage Control
Candice Alaniz	Kristine Okino, Grant Fiscal Analyst
215 W. Elm Street	3927 Lennane Drive, Suite 100
Lodi, CA 95240	Sacramento, CA 95834
(209) 269-4430	Kristine.okino@abc.ca.gov
calaniz@lodi.gov	

EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

INVOICING AND PAYMENT

- For services satisfactorily rendered, and upon receipt and approval of services, Alcoholic Beverage Control agrees to compensate for approved reimbursable costs of personnel overtime and benefits (actual cost) and travel.

- Invoices shall clearly reference the agreement number 26-OTS110 and must not exceed the total authorized contract amount of $30,000. Invoices shall be submitted on a bi-monthly basis, on the prescribed form designed by ABC.

Submit to: Department of Alcoholic Beverage Control
Attn: Kristine Okino, Grants Fiscal Analyst
3927 Lennane Drive, Suite 100
Sacramento, CA 95834

- This grant is only for overtime compensation on approved operations and travel for training held on October 16, 2025 only.

- In accordance with State of CA travel policy, agencies are eligible to receive reimbursement for travel expenses incurred for training on October 16, 2025. https://www.calhr.ca.gov/about-calhr/divisions-programs/benefits/travel-reimbursements/

- Payment shall be made in arrears within 45 days from the receipt of an undisputed invoice.

- Contractor understands in order to eligible for reimbursement; cost must be incurred on or after the effective date of the project, October 1, 2025 and on or before the project termination date, August 31, 2026.

- Contractor understands any other costs incurred by contractor, other than attendance at initial training and/or personnel overtime and benefits as authorized above, in the performance of this agreement are the sole responsibility of contractor.

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.

PROMPT PAYMENT CLAUSE

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

EXHIBIT C
GENERAL TERMS AND CONDITIONS

1. APPROVAL: This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.

2. AMENDMENT: No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

3. ASSIGNMENT: This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

4. AUDIT: Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).

5. INDEMNIFICATION: Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

6. DISPUTES: Contractor shall continue with the responsibilities under this Agreement during any dispute.

7. TERMINATION FOR CAUSE: The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.

8. INDEPENDENT CONTRACTOR*:* Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section

12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).

10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor and its subcontractor*s* shall not deny the contract'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 discriminate unlawfully 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. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provision*s* of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or Agency shall require to ascertain compliance with this clause. Contractor and its subcontractor*s* shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement. (See Cal. Code Regs., tit. 2, §11105.)

    Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.

12. TIMELINESS: Time is of the essence in this Agreement.

13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.

15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

    a. The Government Code Chapter on Antitrust claims contains the following definitions:

        1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.

b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec.15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code),arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.

c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter ,the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to over charges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.

d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a)the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of $100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:

    a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and

    b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of $200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.

19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS**:**

    a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within

such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)

b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)

20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a “loss leader” as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

21. GENERATIVE AI DISCLOSURE OBLIGATIONS:
a. The following terms are in addition to the defined terms and shall apply to the Contract:

1) “Generative AI (GenAI)” means an artificial intelligence system that can generate derived synthetic content, including text, images, video, and audio that emulates the structure and characteristics of the system's training data. (Gov. Code § 11549.64.)

b. Contractor shall immediately notify the State in writing if it: (1) intends to provide GenAI as a deliverable to the State; or (2), intends to utilize GenAI, including GenAI from third parties, to complete all or a portion of any deliverable that materially impacts: (i) functionality of a State system, (ii) risk to the State, or (iii) Contract performance. For avoidance of doubt, the term “materially impacts” shall have the meaning set forth in State Administrative Manual (SAM) § 4986.2 Definitions for GenAI.

c. Notification shall be provided to the State designee identified in this Contract.

d. At the direction of the State, Contractor shall discontinue the provision to the State of any previously unreported GenAI that results in a material impact to the functionality of the System, risk to the State, or Contract performance, as determined by the State.

e. If the use of previously undisclosed GenAI is approved by the State, then Contractor will update the Deliverable description, and the Parties will amend the Contract accordingly, which may include incorporating the GenAI Special Provisions into the Contract, at no additional cost to the State.

f. The State, at its sole discretion, may consider Contractor’s failure to disclose or discontinue the provision or use of GenAI as described above, to constitute a material breach of Contract when such failure results in a material impact to the functionality of the System, risk to the State, or Contract performance. The State is entitled to seek any and all remedies available to it under law as a result of such breach, including but not limited to termination of the contract.

EXHIBIT D
SPECIAL TERMS AND CONDITIONS

Disputes: Any disputes 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 in 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 of the 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.

Cancellation/Termination: This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements. No penalty shall accrue to either party because of contract termination.

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

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.

Signature: William C. Baird
William C. Baird (Apr 23, 2026 17:48:34 PDT)

Email: wbaird@lodi.gov

26-OTS110 STD 213 wSCO block_2025.02.21

Final Audit Report 2026-04-24

Created:	2026-04-24
By:	Vanessa Serna (vserna@lodi.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAAWYcaOKG8Fq2aLfm0wTSInoA9eMW0PtRK

"26-OTS110 STD 213 wSCO block_2025.02.21" History

Document created by Vanessa Serna (vserna@lodi.gov)
2026-04-24 - 0:42:07 AM GMT

Document emailed to wbaird@lodi.gov for signature
2026-04-24 - 0:42:54 AM GMT

Email viewed by wbaird@lodi.gov
2026-04-24 - 0:47:59 AM GMT

Signer wbaird@lodi.gov entered name at signing as William C. Baird
2026-04-24 - 0:48:32 AM GMT

Document e-signed by William C. Baird (wbaird@lodi.gov)
Signature Date: 2026-04-24 - 0:48:34 AM GMT - Time Source: server

Agreement completed.
2026-04-24 - 0:48:34 AM GMT

RESOLUTION NO. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE LODI POLICE DEPARTMENT TO PARTICIPATE IN THE DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL (ABC)-OFFICE OF TRAFFIC SAFETY (OTS) GRANT PROGRAM APPROVING THE EXECUTION OF THE GRANT DOCUMENTS BY THE CHIEF OF POLICE ON BEHALF OF THE CITY OF LODI AND APPROPRIATING FUNDS $30,000

==========

WHEREAS, the Department of Alcoholic Beverage Control (ABC) Grant Assistance Program solicited applications in September 2025 for alcohol-related enforcement and educational programs; and

WHEREAS, on September 26, 2025, the Lodi Police Department received an acceptance letter securing grant funds in the amount of $30,000 for Fiscal Year 2025/2026; and

WHEREAS, with the City Council's approval, the City of Lodi will receive grant funding from ABC to reduce the availability of alcohol to minors and reduce alcohol-related crime through multiple enforcement, education, and prevention programs by funding personnel costs.

NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby authorize the Lodi Police Department to participate in the ABC-OTS grant program funded by the Office of Traffic Safety through the National Highway Traffic Safety Administration; and

BE IT FURTHER RESOLVED, that the Lodi City Council does hereby authorize the Chief of Police to accept the funding from the Department of Alcoholic Beverage Control and execute the grant documents on behalf of the City of Lodi; and

BE IT FURTHER RESOLVED that funds in the amount of $30,000 be appropriated in the 2025/26 fiscal year for the grant and purchases as follows:

ABC Grant	$ 30,000.00	21900000.56401	Revenue
ABC Grant Overtime	$ 29,400.00	21999000.71002	Expense
ABC Grant Medicare	$ 600.00	21999000.71015	Expense

BE IT FURTHER RESOLVED, funds not expended or received in FY 2025-26 will roll to Fiscal Year 2026-27; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (Res. No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following vote:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-____

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing the Purchase and Installation of Office Systems Furniture from Durst Contract Interiors, of Stockton, to Furnish the New Animal Services Facility, in the Amount of $99,843.78 (PD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Candice Alaniz, Management Analyst

RECOMMENDED ACTION:
Adopt a Resolution authorizing the purchase and installation of office systems furniture from Durst Contract Interiors, of Stockton, to furnish the new Animal Services Facility, in the amount of $99,843.78.

BACKGROUND INFORMATION:
On June 20, 2024, Council approved the agreements with Haggerty Construction, Inc. and Bickford Ventures for the construction of the new Animal Services Facility. A resolution also authorized appropriations to the Project, GFCP-22004.

Previous Council action has established Haworth Unigroup Furniture as the City's preferred office furniture manufacturer in order to maintain consistent designs at City facilities. Durst Contract Interiors is the local Haworth representative and utilizes the Sourcewell contract. If approved, a purchase order will be submitted in the amount of $99,843.78 for the purchase and installation of office systems furniture at the newly constructed Animal Services Facility. The proposal includes furnishing for the three administrative offices, an Animal Control Officer office with three workstations, a lobby reception and waiting area, a conference room, a breakroom, a multipurpose/training room, multiple clinics, and workstations throughout the building. A quote, building, and design plans are attached for reference.

Staff recommends Council adopt a resolution authorizing the purchase and installation of office systems furniture from Durst Contract Interiors in the amount of $99,843.78.

FISCAL IMPACT:
There is no impact to the General Fund from this purchase; funds were previously appropriated to the CIP project.

FUNDING AVAILABLE:
Capital Outlay, 43199000.77020, New Animal Shelter Project Contracts, GFCP-22004.Contracts ($99,843.78)

PROPOSAL / QUOTE

Address	Phone #	Quote #
3008 Cherokee Road Stockton, CA 95205	2094635734	2026-160

Rep: RRL

Contract Interiors

Client P.O. #:

Client Contact:

DENISE WIMAN

Contact Phone:

(209) 330-1058 EX.2

Contact Email:

DENISE@DIVISION01CMS.COM

Date: 5/5/2026

Bill to:

CITY OF LODI
221 WEST PINE ST.
LODI, CA 95240

Ship to:

CITY OF LODI
ANIMAL SHELTER
1041 E. AUTO CENTER DR.
LODI, CA 95240

Billing Email:

Terms: Net 30

The first 2 weeks storage is free.

Prices listed are good for 30 days.

Please note: delivery/installation/labor charges may vary depending on site, install conditions & change orders.

Item	Description	Qty	Rate	Total
	COL - NEW ANIMAL SHELTER			
	< LOBBY 100 / RECEPTION 104:			
#HAWORTH	HAWORTH JIVE X BASE 24"SQ. SIDE TABLES	2	363.08	726.16T
#1191-SW19-...	CORA GUEST CHAIR, 4-LEG BASE w/ ARMS, UPHOLSTERED SEAT & BACK, MOISTER BARRIER SEAT. BLACK FRAME. ELEMENT-SAPPHIRE GRD. 2 VINYL (Full Item #1191-SW19-FC1-US-UB-UM2-VG2-AR1-AC3-GL1-AC)	8	291.50	2,332.00T
#1033	NOVO HIGHBACK LARGE & TALL TASK, UPHOLSTERED SEAT, MESH BACK, LUMBAR, SPORT HT./WIDTH ADJ. ARMS, ENHANCED SYNCHRO, BLACK NYLON BASE, HEAVY DUTY CASTERS. BLACK MESH BACK & FRAME. ELEMENT-ONYX GRD. 2 VINYL (Full Item #1033-BK2-LT-Y-A153-VG2-C9-B7-MC20-FC1-AL1-LA1-KD)	2	676.50	1,353.00T
	< MULTI-PURPOSE 101:			
#HAWORTH	HAWORTH JIVE FLIP-TOP TRAINING TABLES, CASTERS, 24"D x 60"W	8	953.75	7,630.00T
#1051-A0-UP	RIO 4-LEG SIDE CHAIR, ARMLESS, UPHOLSTERED SEAT & BACK, CASTERS. BLACK SHELL & FRAME. ELEMENT-SAPPHIRE GRD. 2 VINYL (Full Item #1051-FT1-A0-UP-SC1-VG2-C12-FC1-AC)	16	282.50	4,520.00T
	< VOLUNTEERS 105:			
#HAWORTH	HAWORTH X SERIES PERSONAL STORAGE TOWER w/ WARDROBE, FF & CLOSED STORAGE, STEEL	1	1,686.24	1,686.24T
#1203-MB-F	HEXY MIDBACK TASK, UPHOLSTERED SEAT, MESH BACK, 4-WAY ADJ. ARMS, STD. SYNCHRO, 5-STAR BLACK NYLON BASE, CASTERS. BLACK MESH BACK & FRAME. ELEMENT-ONYX GRD. 2 VINYL (Full Item #1203-BK1-MB-MC20-US-FC1-VG2-AR6-F-BT1-BC1-CH1-CS6-KD)	4	379.50	1,518.00T

NOTE: Durst Installers are not certified electricians or data technicians. If your new furniture consists of electrical hook-up (either from the wall/base or the ceiling), please consult a licensed electrician and data technician for your wiring needs, prior to our arrival on the date listed above.

Subtotal

Sales Tax (8.25%)

Total

PROPOSED BY: DATE:

ACCEPTED BY: DATE:

PLEASE SIGN PROPOSAL, SERVICE AGREEMENT AND ARE YOU READY FORM AND FAX BACK TO 209-463-4516. THANK YOU FOR YOUR BUSINESS.

PROPOSAL / QUOTE

Address	Phone #	Quote #
3008 Cherokee Road Stockton, CA 95205	2094635734	2026-160

Rep: RRL

Contract Interiors

Client P.O. #:

Client Contact:

DENISE WIMAN

Contact Phone:

(209) 330-1058 EX.2

Contact Email:

DENISE@DIVISION01CMS.COM

Date: 5/5/2026

Bill to:

CITY OF LODI
221 WEST PINE ST.
LODI, CA 95240

Ship to:

CITY OF LODI
ANIMAL SHELTER
1041 E. AUTO CENTER DR.
LODI, CA 95240

Billing Email:

Terms: Net 30

The first 2 weeks storage is free.

Prices listed are good for 30 days.

Please note: delivery/installation/labor charges may vary depending on site, install conditions & change orders.

Item	Description	Qty	Rate	Total
	< PRIVATE OFFICES 123, 124 & 125:			
#HAWORTH	HAWORTH X SERIES L-SHAPED DESKS w/ BBF & FF PEDS. PO 123 w/ 2H/30 CLOSED STORAGE. PO 124 w/ 3H/42 BOOKCASE. PO 125 w/ 2H/42 CLOSED STORAGE w/ COMMONTOP. BOTH PO 124 & 125 w/ WALL MNT. LAMINATE OPEN SHELVES & TACKBOARDS BELOW.	1	12,125.49	12,125.49T
#1033	NOVO HIGHBACK LARGE & TALL TASK, UPHOLSTERED SEAT, MESH BACK, LUMBAR, SPORT HT./WIDTH ADJ. ARMS, ENHANCED SYNCHRO, BLACK NYLON BASE, HEAVY DUTY CASTERS. BLACK MESH BACK & FRAME. ELEMENT-ONYX GRD. 2 VINYL (Full Item #1033-BK2-LT-Y-A153-VG2-C9-B7-MC20-FC1-AL1-LA1-KD)	3	676.50	2,029.50T
#1191-SW19-...	CORA GUEST CHAIR, 4-LEG BASE w/ ARMS, UPHOLSTERED SEAT & BACK, MOISTER BARRIER SEAT. -(2) PER OFFICE. BLACK FRAME. ELEMENT-SAPPHIRE GRD. 2 VINYL (Full Item #1191-SW19-FC1-US-UB-UM2-VG2-AR1-AC3-GL1-AC)	6	291.50	1,749.00T
	< ZEN DEN 127:			
#HAWORTH	HAWORTH JIVE T-EXT. BASE RECT. TABLE, 30"D x 36"W	1	544.39	544.39T
#1191-SW19-...	CORA GUEST CHAIR, 4-LEG BASE w/ ARMS, UPHOLSTERED SEAT & BACK, MOISTER BARRIER SEAT. BLACK FRAME. ELEMENT-SAPPHIRE GRD. 2 VINYL (Full Item #1191-SW19-FC1-US-UB-UM2-VG2-AR1-AC3-GL1-AC)	1	291.50	291.50T
	< CONFERENCE 128:			
#HAWORTH	HAWORTH JIVE BRIDGE BASE RECT. CONFERENCE TABLE, 48"D x 120"W.	1	2,222.47	2,222.47T

NOTE: Durst Installers are not certified electricians or data technicians. If your new furniture consists of electrical hook-up (either from the wall/base or the ceiling), please consult a licensed electrician and data technician for your wiring needs, prior to our arrival on the date listed above.

Subtotal

Sales Tax (8.25%)

Total

PROPOSED BY: DATE:

ACCEPTED BY: DATE:

PLEASE SIGN PROPOSAL, SERVICE AGREEMENT AND ARE YOU READY FORM AND FAX BACK TO 209-463-4516. THANK YOU FOR YOUR BUSINESS.

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Contact Email:

DENISE@DIVISION01CMS.COM

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CITY OF LODI
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LODI, CA 95240

Ship to:

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ANIMAL SHELTER
1041 E. AUTO CENTER DR.
LODI, CA 95240

Billing Email:

Terms: Net 30

The first 2 weeks storage is free.

Prices listed are good for 30 days.

Please note: delivery/installation/labor charges may vary depending on site, install conditions & change orders.

Item	Description	Qty	Rate	Total
#1062-AR1-UB	MOVI LIGHT TASK, UPHOLSTERED FLEX BACK w/ OUTER PLASTIC SHELL, UPHOLSTERED SEAT, FIXED ARMS, CASTERS. BLACK FRAME & ARMS. ELEMENT-SAPPHIRE GRD. 2 VINYL (Full Item #1062-FT3-AR1-SC1-VG2-CS6-B17-UB-UC)	10	522.50	5,225.00T
	< ANIMAL CONTROL 130:			
#HAWORTH	HAWORTH UNIGROUP TOO 64"H FABRIC PANELS w/ 16"H GLASS STACKS TO CREATE (4) L-SHAPED WORKSTATIONS, EACH w/ OPEN SHELF, TACKBOARD & BBF PED	1	17,256.45	17,256.45T
#1033	NOVO HIGHBACK LARGE & TALL TASK, UPHOLSTERED SEAT, MESH BACK, LUMBAR, SPORT HT./WIDTH ADJ. ARMS, ENHANCED SYNCHRO, BLACK NYLON BASE, HEAVY DUTY CASTERS. BLACK MESH BACK & FRAME. ELEMENT-ONYX GRD. 2 VINYL (Full Item #1033-BK2-LT-Y-A153-VG2-C9-B7-MC20-FC1-AL1-LA1-KD)	4	676.50	2,706.00T
	<BREAK ROOM 134:			
#HAWORTH	HAWORTH JIVE X BASE TABLES, 30"D x 36"W	4	432.08	1,728.32T
#1131 FT2	ORBIX WIRE ROD SLED BASE STACK CHAIR, PLASTIC SEAT/BACK, ARMLESS. BLACK FRAME & SHELL. (Full item #1131-FT2-AR0-PS-SC1-CGR-PB-FC1-AC)	8	130.00	1,040.00T
	< CLINIC 136:			
#HAWORTH	HAWORTH JIVE T-EXT. BASE RECT. TABLE, 24"D x 48"W	2	555.49	1,110.98T
#1062-AR1-UB	MOVI LIGHT TASK, UPHOLSTERED FLEX BACK w/ OUTER PLASTIC SHELL, UPHOLSTERED SEAT, FIXED ARMS, CASTERS. BLACK FRAME & ARMS. ELEMENT-SAPPHIRE GRD. 2 VINYL (Full Item #1062-FT3-AR1-SC1-VG2-CS6-B17-UB-UC)	2	522.50	1,045.00T

NOTE: Durst Installers are not certified electricians or data technicians. If your new furniture consists of electrical hook-up (either from the wall/base or the ceiling), please consult a licensed electrician and data technician for your wiring needs, prior to our arrival on the date listed above.

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Billing Email:

Terms: Net 30

The first 2 weeks storage is free.

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Please note: delivery/installation/labor charges may vary depending on site, install conditions & change orders.

Item	Description	Qty	Rate	Total
	< CAT ADOPT. HALL 108 & GET ACQUAINTED 111:			
#NP2001	LESRO NEWPORT FULLY UPHOLSTERED 2-SEAT BENCH, STEEL LEGS. BLACK LEGS. DILLON-WILLIAMSBURG GRD. 2 VINYL	3	596.67	1,790.01T
	< CAT FLEX 112, CAT COLONY 1-119, GET ACQUAINTED 160 & 164:			
#NP3001	LESRO NEWPORT FULLY UPHOLSTERED 3-SEAT BENCH, STEEL LEGS. BLACK LEGS. DILLON-WILLIAMSBURG GRD. 2 VINYL	4	806.67	3,226.68T
	HAWORTH FINISHES: LAMINATE: Maple (H-AE), Grd. A STEEL LOWER STORAGE: Brownstone (TR-1R), Grd. B PANEL TRIM: Putty (TR-AA), Grd. A PANEL/TACKBOARD FABRIC: Chevron-Fence (6X-FN), Grd. A STEEL UPPER STORAGE: Chalk (TR-AK), Grd. A TABLE BASES: Black (TR-F), Grd. A			
#DEL/INS	Charge for the ASSEMBLY, DELIVERY & INSTALL of the Purchased Products Above AT PREVAILING WAGE	1	18,378.25	18,378.25T
	*Pricing for Haworth Product Per OMNIA Partners Contract #2020000606			
	*Pricing for SitOnIt Product Per OMNIA Partners Contract #R240104 TVR #914440			

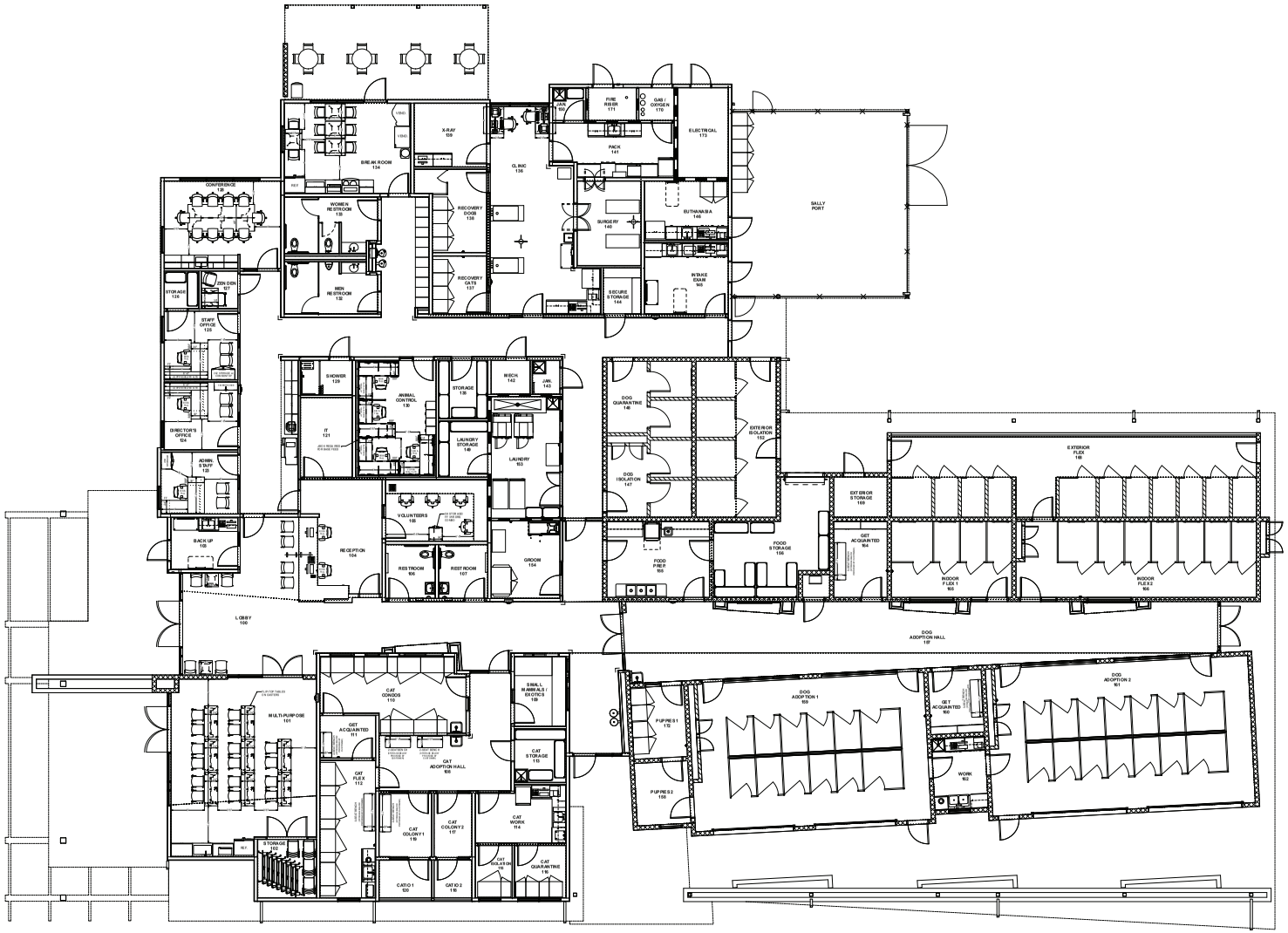
NOTE: Durst Installers are not certified electricians or data technicians. If your new furniture consists of electrical hook-up (either from the wall/base or the ceiling), please consult a licensed electrician and data technician for your wiring needs, prior to our arrival on the date listed above.

Subtotal	$92,234.44
Sales Tax (8.25%)	$7,609.34
Total	$99,843.78

PROPOSED BY: DATE:

ACCEPTED BY: DATE:

PLEASE SIGN PROPOSAL, SERVICE AGREEMENT AND ARE YOU READY FORM AND FAX BACK TO 209-463-4516. THANK YOU FOR YOUR BUSINESS.



DURST CONTRACT INTERIORS
3008 CHEROKEE ROAD
STOCKTON, CALIFORNIA
P. 209.463.5734
www.durstoffice.com

PROPOSED FLOOR PLAN
City of Lodi
LODI ANIMAL SHELTER

DATE DRAWN: 03.16.2026
DRAWN BY: DLF
SALESPERSON: Dan Durst
REVISIONS:

1	04.24.26	Added Clinic Room 136 / Office rev.
2	05.01.26	Added Zen Den / Final Finishes
3	-	-

Sheet#
F-1

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NOTE: Durst Installers are not certified electricians or data technicians. If your new furniture consists of electrical hook-up (either from the wall/base or the ceiling), please consult a licensed electrician and data technician for your wiring needs, prior to our arrival on the date listed above.

Finishes, accessories and/or seating shown are for RENDERING purposes only and may not represent actual finishes or products provided

Durst Contract Interiors

3D VIEW
City of Lodi
LODI ANIMAL SHELTER

Sheet#
3D-1

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NOTE: Durst Installers are not certified electricians or data technicians. If your new furniture consists of electrical hook-up (either from the wall/base or the ceiling), please consult a licensed electrician and data technician for your wiring needs, prior to our arrival on the date listed above.

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Sourcewell

Solicitation Number: RFP #091423

CONTRACT

This Contract is between Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Haworth, Inc., One Haworth Center, Holland, MI 49423 (Supplier).

Sourcewell is a State of Minnesota local government unit and service cooperative created under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21) that offers cooperative procurement solutions to government entities. Participation is open to eligible federal, state/province, and municipal governmental entities, higher education, K-12 education, nonprofit, tribal government, and other public entities located in the United States and Canada. Sourcewell issued a public solicitation for Furniture Solutions with Related Accessories and Services from which Supplier was awarded a contract.

Supplier desires to contract with Sourcewell to provide equipment, products, or services to Sourcewell and the entities that access Sourcewell's cooperative purchasing contracts (Participating Entities).

1. TERM OF CONTRACT

A. EFFECTIVE DATE. This Contract is effective upon the date of the final signature below.

EXPIRATION DATE AND EXTENSION. This Contract expires December 4, 2027, unless it is cancelled sooner pursuant to Article 22. This Contract allows up to three additional one-year extensions upon the request of Sourcewell and written agreement by Supplier. Sourcewell retains the right to consider additional extensions beyond seven years as required under exceptional circumstances.

B. SURVIVAL OF TERMS. Notwithstanding any expiration or termination of this Contract, all payment obligations incurred prior to expiration or termination will survive, as will the following: Articles 11 through 14 survive the expiration or cancellation of this Contract. All other rights will cease upon expiration or termination of this Contract.

2. EQUIPMENT, PRODUCTS, OR SERVICES

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A. EQUIPMENT, PRODUCTS, OR SERVICES. Supplier will provide the Equipment, Products, or Services as stated in its Proposal submitted under the Solicitation Number listed above. Supplier's Equipment, Products, or Services Proposal (Proposal) is attached and incorporated into this Contract.

All Equipment and Products provided under this Contract must be new and the current model. Supplier may offer close-out or refurbished Equipment or Products if they are clearly indicated in Supplier's product and pricing list. Unless agreed to by the Participating Entities in advance, Equipment or Products must be delivered as operational to the Participating Entity's site.

This Contract offers an indefinite quantity of sales, and while substantial volume is anticipated, sales and sales volume are not guaranteed.

B. WARRANTY. Supplier warrants that all Equipment, Products, and Services furnished are free from liens and encumbrances, and are free from defects in design, materials, and workmanship. In addition, Supplier warrants the Equipment, Products, and Services are suitable for and will perform in accordance with the ordinary use for which they are intended. Supplier's dealers and distributors must agree to assist the Participating Entity in reaching a resolution in any dispute over warranty terms with the manufacturer. Any manufacturer's warranty that extends beyond the expiration of the Supplier's warranty will be passed on to the Participating Entity.

C. DEALERS, DISTRIBUTORS, AND/OR RESELLERS. Upon Contract execution and throughout the Contract term, Supplier must provide to Sourcewell a current means to validate or authenticate Supplier's authorized dealers, distributors, or resellers relative to the Equipment, Products, and Services offered under this Contract, which will be incorporated into this Contract by reference. It is the Supplier's responsibility to ensure Sourcewell receives the most current information.

3. PRICING

All Equipment, Products, or Services under this Contract will be priced at or below the price stated in Supplier's Proposal.

When providing pricing quotes to Participating Entities, all pricing quoted must reflect a Participating Entity's total cost of acquisition. This means that the quoted cost is for delivered Equipment, Products, and Services that are operational for their intended purpose, and includes all costs to the Participating Entity's requested delivery location.

Regardless of the payment method chosen by the Participating Entity, the total cost associated with any purchase option of the Equipment, Products, or Services must always be disclosed in the pricing quote to the applicable Participating Entity at the time of purchase.

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A. SHIPPING AND SHIPPING COSTS. All delivered Equipment and Products must be properly packaged. Damaged Equipment and Products may be rejected. If the damage is not readily apparent at the time of delivery, Supplier must permit the Equipment and Products to be returned within a reasonable time at no cost to Sourcewell or its Participating Entities. Participating Entities reserve the right to inspect the Equipment and Products at a reasonable time after delivery where circumstances or conditions prevent effective inspection of the Equipment and Products at the time of delivery. In the event of the delivery of nonconforming Equipment and Products, the Participating Entity will notify the Supplier as soon as possible and the Supplier will replace nonconforming Equipment and Products with conforming Equipment and Products that are acceptable to the Participating Entity.

Supplier must arrange for and pay for the return shipment on Equipment and Products that arrive in a defective or inoperable condition.

Sourcewell may declare the Supplier in breach of this Contract if the Supplier intentionally delivers substandard or inferior Equipment or Products.

B. SALES TAX. Each Participating Entity is responsible for supplying the Supplier with valid tax-exemption certification(s). When ordering, a Participating Entity must indicate if it is a tax-exempt entity.

C. HOT LIST PRICING. At any time during this Contract, Supplier may offer a specific selection of Equipment, Products, or Services at discounts greater than those listed in the Contract. When Supplier determines it will offer Hot List Pricing, it must be submitted electronically to Sourcewell in a line-item format. Equipment, Products, or Services may be added or removed from the Hot List at any time through a Sourcewell Price and Product Change Form as defined in Article 4 below.

Hot List program and pricing may also be used to discount and liquidate close-out and discontinued Equipment and Products as long as those close-out and discontinued items are clearly identified as such. Current ordering process and administrative fees apply. Hot List Pricing must be published and made available to all Participating Entities.

4. PRODUCT AND PRICING CHANGE REQUESTS

Supplier may request Equipment, Product, or Service changes, additions, or deletions at any time. All requests must be made in writing by submitting a signed Sourcewell Price and Product Change Request Form to the assigned Sourcewell Supplier Development Administrator. This approved form is available from the assigned Sourcewell Supplier Development Administrator. At a minimum, the request must:

- Identify the applicable Sourcewell contract number;

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- Clearly specify the requested change;
- Provide sufficient detail to justify the requested change;
- Individually list all Equipment, Products, or Services affected by the requested change, along with the requested change (e.g., addition, deletion, price change); and
- Include a complete restatement of pricing documentation in Microsoft Excel with the effective date of the modified pricing, or product addition or deletion. The new pricing restatement must include all Equipment, Products, and Services offered, even for those items where pricing remains unchanged.

A fully executed Sourcewell Price and Product Change Request Form will become an amendment to this Contract and will be incorporated by reference.

5. PARTICIPATION, CONTRACT ACCESS, AND PARTICIPATING ENTITY REQUIREMENTS

A. PARTICIPATION. Sourcewell's cooperative contracts are available and open to public and nonprofit entities across the United States and Canada; such as federal, state/province, municipal, K-12 and higher education, tribal government, and other public entities.

The benefits of this Contract should be available to all Participating Entities that can legally access the Equipment, Products, or Services under this Contract. A Participating Entity's authority to access this Contract is determined through its cooperative purchasing, interlocal, or joint powers laws. Any entity accessing benefits of this Contract will be considered a Service Member of Sourcewell during such time of access. Supplier understands that a Participating Entity's use of this Contract is at the Participating Entity's sole convenience and Participating Entities reserve the right to obtain like Equipment, Products, or Services from any other source.

Supplier is responsible for familiarizing its sales and service forces with Sourcewell contract use eligibility requirements and documentation and will encourage potential participating entities to join Sourcewell. Sourcewell reserves the right to add and remove Participating Entities to its roster during the term of this Contract.

B. PUBLIC FACILITIES. Supplier's employees may be required to perform work at government-owned facilities, including schools. Supplier's employees and agents must conduct themselves in a professional manner while on the premises, and in accordance with Participating Entity policies and procedures, and all applicable laws.

6. PARTICIPATING ENTITY USE AND PURCHASING

A. ORDERS AND PAYMENT. To access the contracted Equipment, Products, or Services under this Contract, a Participating Entity must clearly indicate to Supplier that it intends to access this Contract; however, order flow and procedure will be developed jointly between Sourcewell and Supplier. Typically, a Participating Entity will issue an order directly to Supplier or its authorized

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subsidiary, distributor, dealer, or reseller. If a Participating Entity issues a purchase order, it may use its own forms, but the purchase order should clearly note the applicable Sourcewell contract number. All Participating Entity orders under this Contract must be issued prior to expiration or cancellation of this Contract; however, Supplier performance, Participating Entity payment obligations, and any applicable warranty periods or other Supplier or Participating Entity obligations may extend beyond the term of this Contract.

Supplier's acceptable forms of payment are included in its attached Proposal. Participating Entities will be solely responsible for payment and Sourcewell will have no liability for any unpaid invoice of any Participating Entity.

B. ADDITIONAL TERMS AND CONDITIONS/PARTICIPATING ADDENDUM. Additional terms and conditions to a purchase order, or other required transaction documentation, may be negotiated between a Participating Entity and Supplier, such as job or industry-specific requirements, legal requirements (e.g., affirmative action or immigration status requirements), or specific local policy requirements. Some Participating Entities may require the use of a Participating Addendum, the terms of which will be negotiated directly between the Participating Entity and the Supplier or its authorized dealers, distributors, or resellers, as applicable. Any negotiated additional terms and conditions must never be less favorable to the Participating Entity than what is contained in this Contract.

C. SPECIALIZED SERVICE REQUIREMENTS. In the event that the Participating Entity requires service or specialized performance requirements not addressed in this Contract (such as e-commerce specifications, specialized delivery requirements, or other specifications and requirements), the Participating Entity and the Supplier may enter into a separate, standalone agreement, apart from this Contract. Sourcewell, including its agents and employees, will not be made a party to a claim for breach of such agreement.

D. TERMINATION OF ORDERS. Participating Entities may terminate an order, in whole or in part, immediately upon notice to Supplier in the event of any of the following events:

1. The Participating Entity fails to receive funding or appropriation from its governing body at levels sufficient to pay for the equipment, products, or services to be purchased; or
2. Federal, state, or provincial laws or regulations prohibit the purchase or change the Participating Entity's requirements.

E. GOVERNING LAW AND VENUE. The governing law and venue for any action related to a Participating Entity's order will be determined by the Participating Entity making the purchase.

7. CUSTOMER SERVICE

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A. PRIMARY ACCOUNT REPRESENTATIVE. Supplier will assign an Account Representative to Sourcewell for this Contract and must provide prompt notice to Sourcewell if that person is changed. The Account Representative will be responsible for:

- Maintenance and management of this Contract;
- Timely response to all Sourcewell and Participating Entity inquiries; and
- Business reviews to Sourcewell and Participating Entities, if applicable.

B. BUSINESS REVIEWS. Supplier must perform a minimum of one business review with Sourcewell per contract year. The business review will cover sales to Participating Entities, pricing and contract terms, administrative fees, sales data reports, performance issues, supply issues, customer issues, and any other necessary information.

8. REPORT ON CONTRACT SALES ACTIVITY AND ADMINISTRATIVE FEE PAYMENT

A. CONTRACT SALES ACTIVITY REPORT. Each calendar quarter, Supplier must provide a contract sales activity report (Report) to the Sourcewell Supplier Development Administrator assigned to this Contract. Reports are due no later than 45 days after the end of each calendar quarter. A Report must be provided regardless of the number or amount of sales during that quarter (i.e., if there are no sales, Supplier must submit a report indicating no sales were made).

The Report must contain the following fields:

- Participating Entity Name (e.g., City of Staples Highway Department);
- Participating Entity Physical Street Address;
- Participating Entity City;
- Participating Entity State/Province;
- Participating Entity Zip/Postal Code;
- Participating Entity Contact Name;
- Participating Entity Contact Email Address;
- Participating Entity Contact Telephone Number;
- Sourcewell Assigned Entity/Participating Entity Number;
- Item Purchased Description;
- Item Purchased Price;
- Sourcewell Administrative Fee Applied; and
- Date Purchase was invoiced/sale was recognized as revenue by Supplier.

B. ADMINISTRATIVE FEE. In consideration for the support and services provided by Sourcewell, the Supplier will pay an administrative fee to Sourcewell on all Equipment, Products, and Services provided to Participating Entities. The Administrative Fee must be included in, and not added to, the pricing. Supplier may not charge Participating Entities more than the contracted

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price to offset the Administrative Fee.

The Supplier will submit payment to Sourcewell for the percentage of administrative fee stated in the Proposal multiplied by the total sales of all Equipment, Products, and Services purchased by Participating Entities under this Contract during each calendar quarter. Payments should note the Supplier's name and Sourcewell-assigned contract number in the memo; and must be mailed to the address above "Attn: Accounts Receivable" or remitted electronically to Sourcewell's banking institution per Sourcewell's Finance department instructions. Payments must be received no later than 45 calendar days after the end of each calendar quarter.

Supplier agrees to cooperate with Sourcewell in auditing transactions under this Contract to ensure that the administrative fee is paid on all items purchased under this Contract.

In the event the Supplier is delinquent in any undisputed administrative fees, Sourcewell reserves the right to cancel this Contract and reject any proposal submitted by the Supplier in any subsequent solicitation. In the event this Contract is cancelled by either party prior to the Contract's expiration date, the administrative fee payment will be due no more than 30 days from the cancellation date.

9. AUTHORIZED REPRESENTATIVE

Sourcewell's Authorized Representative is its Chief Procurement Officer.

Supplier's Authorized Representative is the person named in the Supplier's Proposal. If Supplier's Authorized Representative changes at any time during this Contract, Supplier must promptly notify Sourcewell in writing.

10. AUDIT, ASSIGNMENT, AMENDMENTS, WAIVER, AND CONTRACT COMPLETE

A. AUDIT. Pursuant to Minnesota Statutes Section 16C.05, subdivision 5, the books, records, documents, and accounting procedures and practices relevant to this Contract are subject to examination by Sourcewell or the Minnesota State Auditor for a minimum of six years from the end of this Contract. This clause extends to Participating Entities as it relates to business conducted by that Participating Entity under this Contract.

B. ASSIGNMENT. Neither party may assign or otherwise transfer its rights or obligations under this Contract without the prior written consent of the other party and a fully executed assignment agreement. Such consent will not be unreasonably withheld. Any prohibited assignment will be invalid.

C. AMENDMENTS. Any amendment to this Contract must be in writing and will not be effective until it has been duly executed by the parties.

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D. WAIVER. Failure by either party to take action or assert any right under this Contract will not be deemed a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right. Any such waiver must be in writing and signed by the parties.

E. CONTRACT COMPLETE. This Contract represents the complete agreement between the parties. No other understanding regarding this Contract, whether written or oral, may be used to bind either party. For any conflict between the attached Proposal and the terms set out in Articles 1-22 of this Contract, the terms of Articles 1-22 will govern.

F. RELATIONSHIP OF THE PARTIES. The relationship of the parties is one of independent contractors, each free to exercise judgment and discretion with regard to the conduct of their respective businesses. This Contract does not create a partnership, joint venture, or any other relationship such as master-servant, or principal-agent.

11. INDEMNITY AND HOLD HARMLESS

Supplier must indemnify, defend, save, and hold Sourcewell and its Participating Entities, including their agents and employees, harmless from any claims or causes of action, including attorneys' fees incurred by Sourcewell or its Participating Entities, arising out of any negligent act or omission in the performance of this Contract by the Supplier or its agents or employees; this indemnification includes injury or death to person(s) or property alleged to have been caused by some defect in the Equipment, Products, or Services under this Contract to the extent the Equipment, Product, or Service has been used according to its specifications. Sourcewell's responsibility will be governed by the State of Minnesota's Tort Liability Act (Minnesota Statutes Chapter 466) and other applicable law.

12. GOVERNMENT DATA PRACTICES

Supplier and Sourcewell must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by or provided to Sourcewell under this Contract and as it applies to all data created, collected, received, maintained, or disseminated by the Supplier under this Contract.

13. INTELLECTUAL PROPERTY, PUBLICITY, MARKETING, AND ENDORSEMENT

A. INTELLECTUAL PROPERTY

1. *Grant of License.* During the term of this Contract:

    a. Sourcewell grants to Supplier a royalty-free, worldwide, non-exclusive right and license to use the trademark(s) provided to Supplier by Sourcewell in advertising and promotional materials for the purpose of marketing Sourcewell's relationship with Supplier.

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b. Supplier grants to Sourcewell a royalty-free, worldwide, non-exclusive right and license to use Supplier's trademarks in advertising and promotional materials for the purpose of marketing Supplier's relationship with Sourcewell.

2. *Limited Right of Sublicense*. The right and license granted herein includes a limited right of each party to grant sublicenses to their respective subsidiaries, distributors, dealers, resellers, marketing representatives, and agents (collectively "Permitted Sublicensees") in advertising and promotional materials for the purpose of marketing the Parties' relationship to Participating Entities. Any sublicense granted will be subject to the terms and conditions of this Article. Each party will be responsible for any breach of this Article by any of their respective sublicensees.

3. *Use; Quality Control.*

a. Neither party may alter the other party's trademarks from the form provided and must comply with removal requests as to specific uses of its trademarks or logos.

b. Each party agrees to use, and to cause its Permitted Sublicensees to use, the other party's trademarks only in good faith and in a dignified manner consistent with such party's use of the trademarks. Upon written notice to the breaching party, the breaching party has 30 days of the date of the written notice to cure the breach or the license will be terminated.

4. *Termination*. Upon the termination of this Contract for any reason, each party, including Permitted Sublicensees, will have 30 days to remove all Trademarks from signage, websites, and the like bearing the other party's name or logo (excepting Sourcewell's pre-printed catalog of suppliers which may be used until the next printing). Supplier must return all marketing and promotional materials, including signage, provided by Sourcewell, or dispose of it according to Sourcewell's written directions.

B. PUBLICITY. Any publicity regarding the subject matter of this Contract must not be released without prior written approval from the Authorized Representatives. Publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Supplier individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this Contract.

C. MARKETING. Any direct advertising, marketing, or offers with Participating Entities must be approved by Sourcewell. Send all approval requests to the Sourcewell Supplier Development Administrator assigned to this Contract.

D. ENDORSEMENT. The Supplier must not claim that Sourcewell endorses its Equipment, Products, or Services.

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14. GOVERNING LAW, JURISDICTION, AND VENUE

The substantive and procedural laws of the State of Minnesota will govern this Contract. Venue for all legal proceedings arising out of this Contract, or its breach, must be in the appropriate state court in Todd County, Minnesota or federal court in Fergus Falls, Minnesota.

15. FORCE MAJEURE

Neither party to this Contract will be held responsible for delay or default caused by acts of God or other conditions that are beyond that party's reasonable control. A party defaulting under this provision must provide the other party prompt written notice of the default.

16. SEVERABILITY

If any provision of this Contract is found by a court of competent jurisdiction to be illegal, unenforceable, or void then both parties will be relieved from all obligations arising from that provision. If the remainder of this Contract is capable of being performed, it will not be affected by such determination or finding and must be fully performed.

17. PERFORMANCE, DEFAULT, AND REMEDIES

A. PERFORMANCE. During the term of this Contract, the parties will monitor performance and address unresolved contract issues as follows:

1. *Notification.* The parties must promptly notify each other of any known dispute and work in good faith to resolve such dispute within a reasonable period of time. If necessary, Sourcewell and the Supplier will jointly develop a short briefing document that describes the issue(s), relevant impact, and positions of both parties.
2. *Escalation.* If parties are unable to resolve the issue in a timely manner, as specified above, either Sourcewell or Supplier may escalate the resolution of the issue to a higher level of management. The Supplier will have 30 calendar days to cure an outstanding issue.
3. *Performance while Dispute is Pending*. Notwithstanding the existence of a dispute, the Supplier must continue without delay to carry out all of its responsibilities under the Contract that are not affected by the dispute. If the Supplier fails to continue without delay to perform its responsibilities under the Contract, in the accomplishment of all undisputed work, the Supplier will bear any additional costs incurred by Sourcewell and/or its Participating Entities as a result of such failure to proceed.

B. DEFAULT AND REMEDIES. Either of the following constitutes cause to declare this Contract, or any Participating Entity order under this Contract, in default:

1. Nonperformance of contractual requirements, or
2. A material breach of any term or condition of this Contract.

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The party claiming default must provide written notice of the default, with 30 calendar days to cure the default. Time allowed for cure will not diminish or eliminate any liability for liquidated or other damages. If the default remains after the opportunity for cure, the non-defaulting party may:

- Exercise any remedy provided by law or equity, or
- Terminate the Contract or any portion thereof, including any orders issued against the Contract.

18. INSURANCE

A. REQUIREMENTS. At its own expense, Supplier must maintain insurance policy(ies) in effect at all times during the performance of this Contract with insurance company(ies) licensed or authorized to do business in the State of Minnesota having an "AM BEST" rating of A- or better, with coverage and limits of insurance not less than the following:

1. *Workers' Compensation and Employer's Liability.*
Workers' Compensation: As required by any applicable law or regulation.
Employer's Liability Insurance: must be provided in amounts not less than listed below:
Minimum limits:
$500,000 each accident for bodily injury by accident
$500,000 policy limit for bodily injury by disease
$500,000 each employee for bodily injury by disease

2. *Commercial General Liability Insurance.* Supplier will maintain insurance covering its operations, with coverage on an occurrence basis, and must be subject to terms no less broad than the Insurance Services Office ("ISO") Commercial General Liability Form CG0001 (2001 or newer edition), or equivalent. At a minimum, coverage must include liability arising from premises, operations, bodily injury and property damage, independent contractors, products-completed operations including construction defect, contractual liability, blanket contractual liability, and personal injury and advertising injury. All required limits, terms and conditions of coverage must be maintained during the term of this Contract.
Minimum Limits:
$1,000,000 each occurrence Bodily Injury and Property Damage
$1,000,000 Personal and Advertising Injury
$2,000,000 aggregate for products liability-completed operations
$2,000,000 general aggregate

3. *Commercial Automobile Liability Insurance.* During the term of this Contract, Supplier will maintain insurance covering all owned, hired, and non-owned automobiles in limits of liability not less than indicated below. The coverage must be subject to terms

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no less broad than ISO Business Auto Coverage Form CA 0001 (2010 edition or newer), or equivalent.

Minimum Limits:
$1,000,000 each accident, combined single limit

4. *Umbrella Insurance*. During the term of this Contract, Supplier will maintain umbrella coverage over Employer's Liability, Commercial General Liability, and Commercial Automobile.

Minimum Limits:
$2,000,000

5. *Professional/Technical, Errors and Omissions, and/or Miscellaneous Professional Liability*. During the term of this Contract, Supplier will maintain coverage for all claims the Supplier may become legally obligated to pay resulting from any actual or alleged negligent act, error, or omission related to Supplier's professional services required under this Contract.

Minimum Limits:
$2,000,000 per claim or event
$2,000,000 – annual aggregate

Failure of Supplier to maintain the required insurance will constitute a material breach entitling Sourcewell to immediately terminate this Contract for default.

B. CERTIFICATES OF INSURANCE. Prior to commencing under this Contract, Supplier must furnish to Sourcewell a certificate of insurance, as evidence of the insurance required under this Contract. Prior to expiration of the policy(ies), renewal certificates must be mailed to Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 or sent to the Sourcewell Supplier Development Administrator assigned to this Contract. The certificates must be signed by a person authorized by the insurer(s) to bind coverage on their behalf.

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Failure to request certificates of insurance by Sourcewell, or failure of Supplier to provide certificates of insurance, in no way limits or relieves Supplier of its duties and responsibilities in this Contract.

C. ADDITIONAL INSURED ENDORSEMENT AND PRIMARY AND NON-CONTRIBUTORY INSURANCE CLAUSE. Supplier agrees to list Sourcewell and its Participating Entities, including their officers, agents, and employees, as an additional insured under the Supplier's commercial general liability insurance policy with respect to liability arising out of activities, "operations," or "work" performed by or on behalf of Supplier, and products and completed operations of Supplier. The policy provision(s) or endorsement(s) must further provide that coverage is primary and not excess over or contributory with any other valid, applicable, and collectible insurance or self-insurance in force for the additional insureds.

D. WAIVER OF SUBROGATION. Supplier waives and must require (by endorsement or otherwise) all its insurers to waive subrogation rights against Sourcewell and other additional insureds for losses paid under the insurance policies required by this Contract or other insurance applicable to the Supplier or its subcontractors. The waiver must apply to all deductibles and/or self-insured retentions applicable to the required or any other insurance maintained by the Supplier or its subcontractors. Where permitted by law, Supplier must require similar written express waivers of subrogation and insurance clauses from each of its subcontractors.

E. UMBRELLA/EXCESS LIABILITY/SELF-INSURED RETENTION. The limits required by this Contract can be met by either providing a primary policy or in combination with umbrella/excess liability policy(ies), or self-insured retention.

19. COMPLIANCE

A. LAWS AND REGULATIONS. All Equipment, Products, or Services provided under this Contract must comply fully with applicable federal laws and regulations, and with the laws in the states and provinces in which the Equipment, Products, or Services are sold.

B. LICENSES. Supplier must maintain a valid and current status on all required federal, state/provincial, and local licenses, bonds, and permits required for the operation of the business that the Supplier conducts with Sourcewell and Participating Entities.

20. BANKRUPTCY, DEBARMENT, OR SUSPENSION CERTIFICATION

Supplier certifies and warrants that it is not in bankruptcy or that it has previously disclosed in writing certain information to Sourcewell related to bankruptcy actions. If at any time during this Contract Supplier declares bankruptcy, Supplier must immediately notify Sourcewell in writing.

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Supplier certifies and warrants that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Supplier certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this Contract. Supplier further warrants that it will provide immediate written notice to Sourcewell if this certification changes at any time.

21. PROVISIONS FOR NON-UNITED STATES FEDERAL ENTITY PROCUREMENTS UNDER UNITED STATES FEDERAL AWARDS OR OTHER AWARDS

Participating Entities that use United States federal grant or FEMA funds to purchase goods or services from this Contract may be subject to additional requirements including the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. § 200. Participating Entities may have additional requirements based on specific funding source terms or conditions. Within this Article, all references to "federal" should be interpreted to mean the United States federal government. The following list only applies when a Participating Entity accesses Supplier's Equipment, Products, or Services with United States federal funds.

A. EQUAL EMPLOYMENT OPPORTUNITY. Except as otherwise provided under 41 C.F.R. § 60, all contracts that meet the definition of "federally assisted construction contract" in 41 C.F.R. § 60-1.3 must include the equal opportunity clause provided under 41 C.F.R. §60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 C.F.R. §, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 C.F.R. § 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor." The equal opportunity clause is incorporated herein by reference.

B. DAVIS-BACON ACT, AS AMENDED (40 U.S.C. § 3141-3148). When required by federal program legislation, all prime construction contracts in excess of $2,000 awarded by non-federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. § 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 C.F.R. § 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-federal entity must report all suspected or reported violations to the federal awarding agency. The contracts must also include a provision for compliance with

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the Copeland "Anti-Kickback" Act (40 U.S.C. § 3145), as supplemented by Department of Labor regulations (29 C.F.R. § 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-federal entity must report all suspected or reported violations to the federal awarding agency. Supplier must be in compliance with all applicable Davis-Bacon Act provisions.

C. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (40 U.S.C. § 3701-3708). Where applicable, all contracts awarded by the non-federal entity in excess of $100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. §§ 3702 and 3704, as supplemented by Department of Labor regulations (29 C.F.R. § 5). Under 40 U.S.C. § 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. § 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence. This provision is hereby incorporated by reference into this Contract. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

D. RIGHTS TO INVENTIONS MADE UNDER A CONTRACT OR AGREEMENT. If the federal award meets the definition of "funding agreement" under 37 C.F.R. § 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 C.F.R. § 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency. Supplier certifies that during the term of an award for all contracts by Sourcewell resulting from this procurement process, Supplier must comply with applicable requirements as referenced above.

E. CLEAN AIR ACT (42 U.S.C. § 7401-7671Q.) AND THE FEDERAL WATER POLLUTION CONTROL ACT (33 U.S.C. § 1251-1387). Contracts and subgrants of amounts in excess of $150,000 require the non-federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. § 7401- 7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251- 1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

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Supplier certifies that during the term of this Contract will comply with applicable requirements as referenced above.

F. DEBARMENT AND SUSPENSION (EXECUTIVE ORDERS 12549 AND 12689). A contract award (see 2 C.F.R. § 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 C.F.R. §180 that implement Executive Orders 12549 (3 C.F.R. § 1986 Comp., p. 189) and 12689 (3 C.F.R. § 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Supplier certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation by any federal department or agency.

G. BYRD ANTI-LOBBYING AMENDMENT, AS AMENDED (31 U.S.C. § 1352). Suppliers must file any required certifications. Suppliers must not have used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Suppliers must disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award. Suppliers must file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352).

H. RECORD RETENTION REQUIREMENTS. To the extent applicable, Supplier must comply with the record retention requirements detailed in 2 C.F.R. § 200.333. The Supplier further certifies that it will retain all records as required by 2 C.F.R. § 200.333 for a period of 3 years after grantees or subgrantees submit final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

I. ENERGY POLICY AND CONSERVATION ACT COMPLIANCE. To the extent applicable, Supplier must comply with the mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

J. BUY AMERICAN PROVISIONS COMPLIANCE. To the extent applicable, Supplier must comply with all applicable provisions of the Buy American Act. Purchases made in accordance with the Buy American Act must follow the applicable procurement rules calling for free and open competition.

K. ACCESS TO RECORDS (2 C.F.R. § 200.336). Supplier agrees that duly authorized representatives of a federal agency must have access to any books, documents, papers and

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records of Supplier that are directly pertinent to Supplier's discharge of its obligations under this Contract for the purpose of making audits, examinations, excerpts, and transcriptions. The right also includes timely and reasonable access to Supplier's personnel for the purpose of interview and discussion relating to such documents.

L. PROCUREMENT OF RECOVERED MATERIALS (2 C.F.R. § 200.322). A non-federal entity that is a state agency or agency of a political subdivision of a state and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 C.F.R. § 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds $10,000 or the value of the quantity acquired during the preceding fiscal year exceeded $10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

M. FEDERAL SEAL(S), LOGOS, AND FLAGS. The Supplier cannot use the seal(s), logos, crests, or reproductions of flags or likenesses of Federal agency officials without specific pre-approval.

N. NO OBLIGATION BY FEDERAL GOVERNMENT. The U.S. federal government is not a party to this Contract or any purchase by a Participating Entity and is not subject to any obligations or liabilities to the Participating Entity, Supplier, or any other party pertaining to any matter resulting from the Contract or any purchase by an authorized user.

O. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS OR RELATED ACTS. The Contractor acknowledges that 31 U.S.C. 38 (Administrative Remedies for False Claims and Statements) applies to the Supplier's actions pertaining to this Contract or any purchase by a Participating Entity.

P. FEDERAL DEBT. The Supplier certifies that it is non-delinquent in its repayment of any federal debt. Examples of relevant debt include delinquent payroll and other taxes, audit disallowance, and benefit overpayments.

Q. CONFLICTS OF INTEREST. The Supplier must notify the U.S. Office of General Services, Sourcewell, and Participating Entity as soon as possible if this Contract or any aspect related to the anticipated work under this Contract raises an actual or potential conflict of interest (as described in 2 C.F.R. Part 200). The Supplier must explain the actual or potential conflict in writing in sufficient detail so that the U.S. Office of General Services, Sourcewell, and Participating Entity are able to assess the actual or potential conflict; and provide any additional information as necessary or requested.

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R. U.S. EXECUTIVE ORDER 13224. The Supplier, and its subcontractors, must comply with U.S. Executive Order 13224 and U.S. Laws that prohibit transactions with and provision of resources and support to individuals and organizations associated with terrorism.

S. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT. To the extent applicable, Supplier certifies that during the term of this Contract it will comply with applicable requirements of 2 C.F.R. § 200.216.

T. DOMESTIC PREFERENCES FOR PROCUREMENTS. To the extent applicable, Supplier certifies that during the term of this Contract will comply with applicable requirements of 2 C.F.R. § 200.322.

22. CANCELLATION

Sourcewell or Supplier may cancel this Contract at any time, with or without cause, upon 60 days' written notice to the other party. However, Sourcewell may cancel this Contract immediately upon discovery of a material defect in any certification made in Supplier's Proposal. Cancellation of this Contract does not relieve either party of financial, product, or service obligations incurred or accrued prior to cancellation.

Sourcewell

DocuSigned by:
By: Jeremy Schwartz
C0FD2A139D06489...

Jeremy Schwartz
Title: Chief Procurement Officer

Date: 12/20/2023 | 8:55 AM CST

Haworth, Inc.

DocuSigned by:
By: Matt Corl
03D28A2A0F704F6...

Matt Corl
Title: Business Resource Center Business Segments Manager

Date: 12/20/2023 | 8:53 AM CST

Approved:

DocuSigned by:
By: Chad Coauette
48BAF71B0894454...

Chad Coauette
Title: Executive Director/CEO

Date: 12/20/2023 | 10:21 AM CST

RFP 091423 - Furniture Solutions with Related Accessories and Services

Vendor Details

Company Name:	Haworth, Inc.
Address:	One Haworth Center Holland, Michigan 49423
Contact:	Tim Hodges
Email:	tim.hodges@haworth.com
Phone:	616-834-1994
Fax:	616-834-1994
HST#:	

Submission Details

Created On:	Monday July 31, 2023 08:28:16
Submitted On:	Thursday September 14, 2023 10:43:49
Submitted By:	Courtney Griggs
Email:	courtney.griggs@haworth.com
Transaction #:	d12319f0-25c4-42cf-ae64-5bf0c932469a
Submitter's IP Address:	208.45.164.186

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond "N/A" if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Haworth, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Haworth Inc. is comprised of a broad range of companies with a strong design heritage and global perspective. We also maintain partnerships with other companies that offer products which complement our existing product lines. Our Family of Brands includes the following: Affiliate Brands (included in RFP response) • Haworth Ancillary (Lifestyle Designs) • Haworth Health (Healthcare) • Hushoffice (Office Pods) • BuzziSpace (Acoustic Furniture Solutions) • JANUS et Cie (Outdoor Furniture) • Cappellini (Italian Designed Furniture) • Cassina (Italian Designed Furniture) • Poltrona Frau (Italian Designed Furniture) • AIS (Corporate Furniture) • GAN (Rugs) • Pablo Designs (Lighting) • Ergotron (Ergonomic tools) • Emeco (Durable, Design-Focused Furniture) Brand Partners (available through dealer partners, not included in RFP response) • Kvadrat (Textiles) • TUOHY Furniture (Premium Workplace Furniture) • Bluescape (Technology)	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	N/A	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	1H741	*
5	Proposer Physical Address:	One Haworth Center Holland, MI 49423	*
6	Proposer website address (or addresses):	www.haworth.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the "Proposer's Assurance of Compliance" on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Matt Corl Business Resource Center Business Segments Manager One Haworth Center Holland Michigan 49423 matt.corl@haworth.com 1-616-393-3000	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Courtney Griggs Territory Sales Manager 100 N 6th Street Minneapolis, MN 55401 courtney.griggs@haworth.com 1-612-212-5691	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Tim Hodges Sales and Marketing Program Manager One Haworth Center Holland Michigan 49423 tim.hodges@haworth.com 1-616-834-1994	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Established in 1948 by G.W. Haworth in Holland, MI, and family-owned and privately held ever since, Haworth evolved from a small home-based business into a global corporation that manufactures the most adaptable and sustainable products in the contract furniture industry today. Today, and still headquartered in Michigan, Haworth has a presence in more than 150 countries and employs 8,000 people globally. We operate 17 wholly owned manufacturing facilities and market and sell products and services through 45 showrooms around the globe. With manufacturing facilities, showrooms, and dealers located in North America, Europe, South America, Africa, the Middle East, and Asia Pacific regions, we extend delivery services to most places around the globe. Our customer base is comprised of thousands of businesses including more than half of the Fortune 500. Our largest clients come from the fields of technology, finance, real estate, transportation, research, healthcare, and hospitality, as well as from the government and non-profit sectors. Our company is divided into three separate business segments: Commercial Interiors, Lifestyle Design, and Performance Technology. Haworth products go to market via an extensive network of 400 dealers strategically located worldwide. Dealers in North America provide coverage to every state in the US and every province in Canada. This extensive network assures our customers a consistent quality experience, no matter where they are located, where a project installs, or how many other projects are occurring simultaneously. All dealers have extensive product knowledge and are valuable resources as design partners. We manufacture and distribute contract and residential furniture including, seating, tables, workstations, systems, desking, lounge furniture, lighting, accessories, and technology tools, providing customers with options to furnish virtually every area, including outdoor spaces. Haworth also manufactures modular walls to provide an architectural element that integrates with other Haworth product lines on many levels including finishes, resulting in a clean and coordinated aesthetic. With a record of continuous growth and profitability, Haworth is a fiscally responsible company with a Dun & Bradstreet rating of 5A2 and one of the strongest financial conditions in the industry. Annual sales in 2022 were approximately $2.1 billion. The company's growth is due, in part, to strategic investments in research, design, and acquisitions throughout its history that have expanded its portfolio and network to meet ever changing market dynamics. Please see document [Haworth_Table_2_Haworth Overview] and [Haworth_Table_2_Values] for additional summary of our Story, Values, and Vision.	*
11	What are your company's expectations in the event of an award?	Haworth's expectations after winning the award is to provide Sourcewell customers with outstanding products, aggressive discounting and superior Haworth dealer and customer service. Furthermore, Haworth will launch a U.S. and Canadian marketing campaign to Haworth dealers and salespeople ensuring the award receives maximum exposure while also highlighting future contract training opportunities.	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Please see document [Haworth_Table_2_Financial Strength Letter] from Haworth's CFO Scott Poulton summarizing our financial strength.	*
13	What is your US market share for the solutions that you are proposing?	Haworth experiences market share fluctuation like any company does. Annually, Haworth expects to have between 8-15% of the US Commercial Furniture market share which includes healthcare, education, government, financial/banking, service, technology, and manufacturing industries.	*
14	What is your Canadian market share for the solutions that you are proposing?	Haworth expects to have about 9% of the CAN Commercial Furniture market share which includes healthcare, education, government, financial/banking, service, technology, and manufacturing industries.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Haworth has never been involved in a bankruptcy. The company is financially sound and maintains one of the strongest financial conditions in the industry.	*

16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Haworth is a manufacturer. Currently, Haworth employs approximately 300 members in North America that make up the field sales and sales support roles. Our Sales Team has the support of the entire organization. Oversight and support are provided by individuals and groups throughout the company, including Executive Leadership, Customer Service, Tailored Solutions, Technical Support, Order Processing, Logistics and Planning, Sustainability, Product Line Marketing, Distribution, and more. The Sales Team is further supported by our dealer network, which provides global project management, design, and service support at the local level across the globe. Haworth products are sold and serviced through our robust network of 400 authorized and preferred dealers. More than 200 of these dealers are located throughout North America and provide service to every state and province. Product ships from Haworth's 360,000 sq. ft. Distribution Center at Haworth's headquarters in Holland, Michigan. Haworth is a Just-in-Time manufacturer, meaning all products are manufactured to customer orders. All of Haworth's preferred dealers have access to warehouse spaces, either owned or contracted, and can provide warehouse services for customers across the country, if requested. Haworth and its dealers share a partnering philosophy that can be defined as the formation of a true team, committed to an adaptive, cooperative approach to doing business. We value our customers and take pride in maintaining ongoing relationships long after product installation is complete. Our goal is not to simply sell you product today, but rather to build the foundation of a strong working relationship that develops and thrives for years to come. * Haworth has a robust network of financially sound, customer-focused, and solution-oriented dealer partners; we provide them with equally well-rounded support, including strategic insights and manufacturer oversight. We develop and deploy dealer programs that ensure we are delivering the highest quality products and services possible. All Haworth dealers must continuously demonstrate superior performance in meeting customer needs. To enable their success, Haworth offers a variety of tools and resources, including: • Dealer Development (16-member team; members are experts in Finance, Dealer Programs, Marketing and Social Media, Lean/Process Management, Administration, and Field-Based Sales Support) • Training on new products and services • Regional and national dealer meetings on relevant business topics • Marking and branding tools that support co-branding • Financial benchmarking • Financial support for strategic growth • Electronic resources to keep them up to date on changes in product, policy, and process • Regional Dealer Managers who call on dealerships regularly to share updates, review projects, and share best practices. • Regional Field Tech Reps who provide technical support and/or training when needed • Network of local Haworth showrooms • Design Studios

17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Haworth and its dealers have been providing high-quality installation services on projects of all sizes for more than four decades. This includes projects ranging from a small single office to large complex projects that require a phased schedule for multiple floors, a complex of buildings, or that need to duplicate installations in multiple facilities across the globe. Installation services are delivered through our dealer partners and must be conducted by Haworth-certified installers. All dealers either have their own in-house certified installers or have well-established relationships with reputable installation firms that employ Haworth-certified installers. In North America alone, there are more than 2000 Haworth certified installers who provide services in every state and province. Haworth also employs a robust team of field technical representatives who are responsible for the education and training of Haworth-certified installers. Tech reps typically have engineering backgrounds and are well-versed in the details that allow them to fully deconstruct and reconstruct product. In addition to developing and delivering training for installers, they also collaborate with our sales teams to educate clients and end-users on product features, use, adjustment, and life cycle. Certified installers receive continuing education on new products and updates and must be recertified every three years. The following global certifications, standards, and accreditations are applicable to Haworth-owned manufacturing facilities globally: ISO 9001 ISO 14001 ISO 27002 ISO 45001 (in Germany, Switzerland, and China) A2LA Intertek Satellite Certified Lab Zero Production Waste to Landfill Haworth maintains or exceeds BIFMA standards on more than 95% of its product lines, maintains several non-required certifications, including: • ISO 9001 • ISO 14001 • ISO/IEC 17025 • U.L. Test Lab certification • ISO/IEC 17025 • U.L. Test Lab certification	*
18	Provide all “Suspension or Debarment” information that has applied to your organization during the past ten years.	N/A	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	One of the Haworth Values is to listen to our customers and we extend this to our award programs. This engagement with customers, vendors, community groups, the media and the design community means asking for an external review of our products, projects and processes. From MOMA to ISO certifications, Haworth has decades of feedback and global recognition. While not exhaustive, the provided documentation is a long history of design, innovation, environmental, safety, quality, customer satisfaction, ergonomic, education, communication, and community awards Please see document [Haworth_Table_3_Industry Awards] for full list of relevant awards and recognition.	*
20	What percentage of your sales are to the governmental sector in the past three years	In the past three years, Haworth's state, local and federal government combined sales totaled between $120 and $150 million per year. This represents 12% to 15% of Haworth's total sales.	*
21	What percentage of your sales are to the education sector in the past three years	In the past three years, Haworth's educational sales totaled between $50 to $70 million per year. This represents 5% to 7% of Haworth's total sales.	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Please see attached document [Haworth_Table_3_State, Provincial and Cooperative Three Year Sales Reports].	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Please see attached document [Haworth_Table_3_GSA Contracts, Standing Offers, SA].	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Fridley (MN)	Jeannie Benson - Facility Operations	763-572-3552	*
California State University - Fresno	Lori Pardi - Interiors Specialist	559-278-7742	*
City of Austin (TX)	Mike Zambrano - Procurement Specialist	512-974-3130	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
State of Michigan	Government	Michigan - MI	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$42.8 million	*
U.S. Dept. of Homeland Security	Government	District of Columbia - DC	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$26 million	*
State of Tennessee	Government	Tennessee - TN	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$14.9 million	*
U.S. Marine Corps Base Hawaii	Government	Hawaii - HI	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$14.6 million	*
Dulles Discovery	Government	District of Columbia - DC	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$13.8 million	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number

of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	Currently, Haworth employs approximately 300 members in North America that make up the field sales and sales support roles. Our Sales Team has the support of the entire organization behind it. Oversight and support are provided by individuals and groups throughout the company, including Executive Leadership, Customer Service, Tailored Solutions, Technical Support, Order Processing, Logistics and Planning, Sustainability, Product Line Marketing, Distribution, and more. The Sales Team is further supported by our dealer network, which provides global project management, design, and service support at the local level across the globe.	*
27	Dealer network or other distribution methods.	It has been Haworth's long-held belief that a strong dealer network of locally owned and operated dealers is fundamental to serving our clients. Before a dealer is certified as an authorized representative of Haworth, they are evaluated on a broad range of criteria including their ability to fulfill customer service needs and the demonstration of continually improving their operations. Out of our network of more than 200 independent and entrepreneurial Haworth dealers in North America, almost two-thirds of them have distinguished themselves further by attaining Preferred Dealer status. These dealers have made additional investments in their businesses and have aligned themselves more closely with Haworth on an ongoing basis.	*
28	Service force.	In North America, design, order, project management, installation, and warranty services are provided by Haworth-certified dealers. Haworth works closely with our dealers to ensure they are notified immediately of any delays or updates that would impact service. Account representatives and other Haworth members may also be brought in to help support dealers in addressing and swiftly resolving any issue. Haworth employs a staff of 15 Field Technical Representatives to further support projects by conducting formal quality inspections to ensure compliance with guidelines and quality standards, conducting facility staff training if requested, and overseeing and training Haworth certified installers throughout North America.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	All public agencies have the option of submitting orders either through a Haworth dealer or of sending them directly to Haworth at orderentry@haworth.com. All orders will be channeled through a Haworth dealership, regardless of whether the agency has a dealer place the order on its behalf or submits a hard copy PO to Haworth via email. Orders placed by dealers are received electronically through Lynx, Haworth's proprietary, web-based interface, that allows dealers to run quotes, and place orders. Lynx is a tool used to confirm all proposals and orders are 100% accurate based on part number and contract price and discount. Haworth's orders are entered via our dealer network using Lynx. Lynx is Haworth's proprietary interface that manages the creation of new contract furniture proposals and orders using web technology. Lynx finds errors immediately. The system automatically responds to the sender in less than ten minutes if there is a problem. Faster, cleaner order entry is only one benefit. Lynx can also accept proposals and generate accurate price quotations in less than ten minutes and provides up-to-the-minute product and price information is available to all Haworth dealers to provide to their clients.	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	We employ a variety of processes, proprietary technology, and checks and balances to ensure your project is ordered, manufactured, shipped, delivered, installed, and maintained to your complete satisfaction. Our manufacturing facilities are certified to ISO 9001 standards, which require documented, closed-loop, corrective action for continuous improvement. We utilize a quality management system to track and record all issues. Analysis is conducted to understand root causes and to implement corrective actions. Instead of generic surveys, Haworth prefers to collaborate with our clients to establish pertinent and targeted Key Performance Indicators (KPIs) that have greater relevance to the individual customer relationship. These custom-designed surveys may be administered at a specified frequency, per project, or at a dollar threshold per project. Surveys are triggered by generating an email to the project leader, and data is tracked via the survey system. Performance is measured against the KPIs established, and reporting is available at established intervals. Together, the Haworth/Preferred Dealer team working with a client team will facilitate the best means to specify, order, deliver, state, and install the project. They will maintain strict product standards and communicate any anticipated changes, delays, or redesign to the client. In North America, design, order, project management, installation, and warranty services are provided by Haworth-certified dealers. Haworth works closely with our dealers to ensure they are notified immediately of any delays or updates that would impact service. Account representatives and other Haworth members may also be brought in to help support dealers in addressing and swiftly resolving any issue. Haworth Field Technical Representatives further support projects by conducting formal quality inspections to ensure compliance with guidelines and quality standards, conducting facility staff training if requested, and overseeing and training Haworth certified installers. As our face to the market, our dealer partners provide services to Haworth clients. Haworth monitors their performance via monthly closed-loop surveys to evaluate performance in the areas of overall customer satisfaction, knowledge of products, processes, and policies, ability to explain issues, and overall relationship. In addition to dealer surveys, our customer service management team also sends 80 - 100 surveys each month to clients who are actively using our products and services. These surveys are designed to closely track customer satisfaction and loyalty level to both Haworth and the dealer that provides services.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Haworth is willing and able to serve Sourcewell participating entities in the United States.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Haworth is willing and able to serve Sourcewell participating entities in Canada.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Haworth markets and sells products globally. The company has a presence in more than 150 countries, operates through more than 95 global showrooms and offices, and wholly owns and operates 17 manufacturing facilities in eight countries. Haworth products go to market via a robust network of 400 dealers worldwide, who provide all services in North America, as well as some areas internationally, depending on regional laws and regulations. There are no areas of the US or Canada that would be excluded from our sales and service capabilities proposed on this contract.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	There would be no restrictions to the sale and service of products on this proposed contract within any participating entity sector.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	There are no specific contract requirements or restrictions that would apply to participating entities in Hawaii, Alaska, or US Territories.	*

Table 7: Marketing Plan

Line Item	Question	Response *	

36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Upon award, Haworth will develop a co-branded news release for internal and external social media channels. Furthermore, Haworth has several intranet websites that offer outstanding communication tools, and the award, along with all required contract details and contact information, will be published on those sites when contract is awarded. When appropriate, trade shows, national conferences, and regional events will be attended by the dedicated Sourcewell/Haworth Program Manager (Tim Hodges) as well as Haworth field sales members and representatives of Haworth's extensive dealer network that service and support participating Sourcewell agencies. Working in close collaboration with your organization's marketing department, Haworth will begin developing co-branded marketing material within two weeks of contract award, with completion of all collateral marketing material within 90 days of award notification. Haworth has extensive experience in co-branding marketing materials for Sourcewell's participating agencies. Given the potential sales associated with your organization, these co-branded materials will be a high priority to complete and distribute. Our marketing and implementation plan for Sourcewell would be multifaceted, with emphasis on easy accessibility to information and tools and consistently quick responses. We want you to be assured you and your members have the information you need whenever you need it. Other Haworth marketing actions upon award will include: • Within 30 days of contract award, Haworth will list Sourcewell's information on its website to include a complete list of contact information for dealers and key Haworth representatives. • Haworth, and dealers throughout the country, will initiate contact and call on procurement officers, if applicable, and public agencies in each participating region and promote the use of the contract. Marketing pieces will be created to promote the partnership of Haworth + Sourcewell + local dealers in order to illustrate value-add to potential participating agencies. • Information about Haworth Value Added services will also be available to all Sourcewell agencies. Haworth offers a range of services, from helping customers establish direction to developing high performance solutions. We employ workplace strategists, design consultants, and researchers to help customers reach their objectives. We also offer a variety of diagnostic proprietary tools and services which use a Science + Design methodology to help customers identify needs and set goals to drive desired levels of organizational effectiveness. • Haworth uses various forms of social medial and marketing outreach to potential clients, and this contract would become part of the messaging that would be promoted to the appropriate audiences. • Individual sales people will use the contract within their regions to help support target and existing clients in the public sector. Please see [Haworth_Table_7_Marketing Plan_Examples zip folder] for five examples of marketing pieces created to support Higher Education and Government business development.	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Haworth uses a variety of technology platforms to enhance our marketing effectiveness. Haworth's corporate marketing team uses a breadth of technology tools to ensure we reach as many existing and target clients to promote our ability to solve workplace solutions. Currently, our marketing outreach technology includes the following: Facebook, Twitter (X), Instagram, TikTok, LinkedIn, Threads, YouTube, Pinterest, Google MyBusiness, and Glassdoor. Haworth has a dedicated Inside Sales team who supports our efforts to find and qualify new business opportunities. This team utilizes applications of Salesloft (Marketing/Email Software), ZoomInfo (Contact/Company Database), and Eventbuilder (Event Software) to further promote New Business Development and to increase business.	*

38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell's Role: Sourcewell's role in promoting this contract is working with Haworth's Sourcewell program manager to develop mutually agreeable marketing programs. These programs will promote the value and benefits of the Sourcewell contract along with Haworth's outstanding products and aggressive discounting structure. Haworth will integrate this contract with U.S. and Canadian dealers by educating them about the value and benefits to their potential Sourcewell customers. The Haworth sales force will undergo training on this program with their respective dealers during multiple training sessions. Haworth's Role: Haworth has a dedicated Sales and Marketing Program Manager - Tim Hodges. He will serve as the internal advocate for this contract for North America and Canada. He will diligently promote the contract through training dealers, collaborating on the development of new and revised marketing collateral, and keeping in constant communication with the rest of the team. Specific to Minnesota, Courtney Griggs (Territory Sales Manager) will work directly with Fluid Interiors (the Haworth dealer in Minneapolis, MN) to immediately promote and access the contract within participating entities. Lessons learned from Minnesota would be shared to the North American and Canadian sales forces and dealer networks. Upon award, Tim will schedule a conference call between Sourcewell and the Haworth core team. This will begin the process of establishing a strong and ongoing relationship. In addition to facilitating general discussion, he will review expectations and introduce any other Haworth regional team members who will help service the account. He will also provide an overview of dealers in all states, noting any who hold Preferred or Best-in-Class status. This initial step will ensure all agency procurement officers have the information needed to make an informed decision about selecting a dealership to work with prior to the start of any project. Tim will schedule visits to Sourcewell annually, or as requested, to assess satisfaction level and to keep them informed of any changes in dealerships, new product offerings, or other updates. Within the first 30 days of the contract, Tim will also meet with Haworth Regional Dealer Managers (RDMs) throughout the country to create an orientation program for participating dealerships. RDMs oversee all dealer activity, and keep dealers updated on new product, processes, and major projects. The orientation will involve a thorough overview of Haworth's Sourcewell contract, including the breadth of approved product, contract terms and conditions, assigning a dealer point of contact, and service level agreements. This will ensure that all Sourcewell members have a consistent experience when ordering Haworth product, regardless of their location and which dealer services their accounts. Because Sourcewell is located in Minnesota, there will be strong engagement with Haworth's Best in Class Dealer, Fluid Interiors. Fluid does a significant volume of work with Higher Education, City/State/Local Government, and Non-Profit Agencies throughout the Twin Cities Metro, St. Cloud, Rochester as well as rural Minnesota markets - supporting the entire sate of Minnesota. Fluid would provide local marketing support of the contract to existing and potential participating entities.	*

39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Haworth and our dealer partners have been the industry leader in providing digital tools in support of our customers. For our government/education customers that have an interest in supporting the purchase of products for remote workers, there are two core baseline solutions that help drive our collaborative approach. The most common solution implemented by government and education clients is through a Work From Home program that is supported by our Haworth Online Store, where we offer exclusive pricing via a company discount code. Alternately, we have an eCommerce Engine that is designed to support 100% of your spend and can be fully integrated with your e-procurement solution or other requisition system. Haworth Online Store Many customers use the Haworth Online Store to help facilitate work from home programs which serves as a stand alone site, and is not connected to an e-procurement system. Once the site is set up for the participating agency, employees gain access to exclusive pricing by entering their company discount code at checkout. The store link can be shared with employees via company intranet, email, or other communication channels. Employees create their own account once granted access to the company site and can make purchases directly using their own (or company) credit card. Benefits to the program include the following: •Get Products Quickly – core Haworth products ship within 3 business days, made to order options also available with additional colors & options •Ergonomic Products – employees can have the same great ergonomic products in their homes that they have in the office •Product Selection For The Home – finishes and options available work well in residential settings •Discounts Beyond Retail – provides the lowest everyday price on a wide variety of products •Free & Easy Shipping – products ship directly to employee's homes with free shipping eCommerce Engine Remote work programs, by nature, often deliver to homes and/or apartment buildings with unique delivery requirements. As such, we have an ability to create catalogs for those products that send a shopper's cart to our local authorized Haworth Dealer to have potential delivery and installation costs added. Once added, the cart goes back to the shopper for review and is then sent to your e-procurement system for approval and formalized requisition. For this option, we sit down with procurement, facilities, IT, your Haworth Sales lead and assigned dealer(s) to discuss topics like your POSR, which allow us to evaluate the best ways to architect a solution. Haworth also offers clients access to our proprietary eCommerce solution that provides a secure online portal to manage their Haworth furniture assets efficiently and cost effectively. These sites are structured according to your unique requirements to capture the information you find most relevant. It can be used to view furniture standards, plan spaces, initiate work order requests, procure products online, run customized business reports, and more. It also has potential to help realize cost savings through reducing cycle times and helping to achieve your spend management goals. Capabilities that customers may leverage include: • Commerce Engine – designed to support 100% of spend, and fully integrated with your eProcurement solution or other requisition system • Financial Integration - support for electronic invoicing, automated reconciliation, and payment. • Transaction reporting and order status capabilities - providing information transparency unmatched in the industry • Collaboration and communications resources – in support of your internal audiences The eCommerce site can also house a broad range of tools from product documentation and reference information to access to industry research, market trends, process documentation, contact information, service request support and training opportunities. Finally, Haworth offers the services of our eBusiness Consultant to help review the capabilities, establish project objectives, support team formation, and project facilitation to ensure you are getting the most from this resource and achieving your spend management goals.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	

40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Instructions to properly use, adjust, maintain, and clean Haworth products to ensure correct and long-lasting use are delivered at project closeout. If requested, we will provide orientation training to your employees to address any specific questions or concerns. This training may be delivered through our dealer partner or through a sales representative, depending on the specifics of the request. Training on repair work is not offered, as all repairs must be performed by a dealer or certified installer to protect the product warranty. A repair order is initiated by reaching out to your local dealer to file a warranty claim. We also offer adjustment videos on our website for specific products including task seating, height adjustable tables, and ergonomic accessories. Most of these videos are available via QR code printed directly on the bottom of the product or otherwise available on Haworth.com.	*

41	Describe any technological advances that your proposed products or services offer.	Haworth revolutionized the contract furniture world by being the first to electrify workstation panels - an industry-changing innovation - and we have been transforming workplaces ever since. As an extension of Haworth's workplace research, we design new product innovations that support forward-thinking, efficient, and effective workspaces. Our most recent research into workplace well-being and supporting dynamic spaces has resulted in the development of the following products: Fern – an ergonomic task chair, is our most complete example of Haworth innovation in production today. With a goal of enhancing wellness in the workforce, we created a chair offering new levels of comfort and unsurpassed ability for individual ergonomic customization. Haworth collaborated with Western Michigan University on research that mapped out comfort with billions of data points and thousands of test subjects. From our findings, we developed a patented frond-like Wave Suspension System™ which promotes healthy back and pelvic alignment. Fern's ability to conform to the user's spine and accommodate back asymmetry reduces back discomfort as a user shifts position in the chair. Fern is an elegant chair that looks and works like no other and fully delivers on the promise of being the most comfortable task chair available. https://www.haworth.com/na/en/products/stools/fern.html Compose Echo - We designed Compose Echo based on our research into the benefits of user control in workplace happiness and well-being. This fully adjustable workstation provides height adjustability and the ability to move and re-orient the work surface. Based on many years of research and consultations with leading international design firms, Compose Echo is unique to the industry in its ability to provide complete user control for various collaborative and individual workstyle needs. https://www.haworth.com/na/en/search.html?q=compose+echo&listing=product-listing Pergola - Haworth creates highly adaptable product innovations to help our customers remain agile to future workplace changes. An example is Pergola, a new freestanding sub-architectural workspace that can be added to an existing floorplate to provide space for individual retreat or collaboration. As a kit-of-parts product, Pergola can be easily reconfigured as your requirements for new spaces change, without impacting the base building. https://www.haworth.com/na/en/search.html?q=pergola&listing=product-listing Zody II & Zody LX - Much of Haworth's research is around optimizing employee health and well-being, and our product innovations reflect this. Encouraging movement and posture change throughout the workday is an essential element of workplace health, and we designed the new Zody LX and Zody II to support these activities. Both chairs offer an industry-first dual posture feature for both seated and perching positions, providing ergonomic support and variety when using a sit-to-stand desk. https://www.haworth.com/na/en/products/stools/zody-lx.html? _br_psugg_q=zody+upholstered+office+chair Openest – a compelling line of privacy panels, seating poufs, sofas, and tables, designed in partnership with Patricia Urquiola. Paired together, individual elements create collaborative group spaces and individual work pods that are as beautiful as they are hard working. The panels in Openest utilize Haworth's innovation in material science and manufacturing development by blending the unique aesthetic with a structural, acoustic, stand-alone privacy panel that is completely fresh in the industry. http://www.haworth.com/products/workspaces/shared/openest Bluescape – our digital collaboration platform is designed to accelerate decision making by enabling anyone to create, communicate, visualize, organize, and strategize anything, anywhere, anytime. Bluescape is a global tool, accessible on multiple devices including large-scale, high-definition, multi-touch screens, as well as tablets, laptops, and mobile devices. From the thoughtful user interface to the highly visual file system to the virtual whiteboard, we made this a key tool for project teams in the workspace (physical and virtual). Multiple users located anywhere in the world can work simultaneously to create, edit, organize, display, and retrieve information in a way that is profoundly effective. Bluescape was created to accelerate business results by enhancing innovation, strategizing, solving problems, and sharing information in real time. It also speaks to our innovation ambition as a full workspace solutions company, not simply a furniture manufacturer. More information about Bluescape can be seen at http://www.haworth.com/products/technology/teamwork/Bluescape	*

42	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Sustainability has been a long-held company-wide value at Haworth, and we think beyond our business with a collective purpose to make the world better. As we strive to be a sustainable organization, Haworth empowers and engages its members in practices and processes that positively impact our global communities, economy, and environment. We utilize our resources in ways that create adaptable and sustainable workspace solutions for our customers, and we do this globally to protect and restore our environment, create economic value, and support and strengthen our communities. We are committed to constantly evaluating and improving our processes and our products throughout all phases of a product’s lifecycle. Our design-led approach creates products that support safe and healthy environments. Our products encompass Design for the Environment strategies, considering the environmental, social, and economic impact through alignment with leading certifications, waste-reducing processes, and material choices. Considerations for the use of safer materials continues to drive us to evaluate more sustainable solutions as alternatives become commercially available. Our packaging engineers and transportation teams collaborate to develop new environmentally friendly packaging methods that can be implemented without compromising the level of protection provided while in transit. The drive toward sustainable, healthier solutions also support clients in achieving their own sustainable goals. Haworth products contribute to a wide range of credits for customers seeking LEED or WELL Certification. More than 95% of our products are GREENGUARD Indoor Air Quality and/or BIFMA level certified for lower emissions. Most of our wood products are offered standard as FSC certified. With only a few exceptions, most Haworth product is manufactured locally for the market it serves - in the US for customers in North America, in Europe for European customers, and in Asia and India for the Asian Pacific market - resulting in lower fuel emissions. We help support the communities in which we do business. We continue to support the 10 principles of the UN Global Compact with respect to Human Rights, Labor Rights, Anti-Corruption, and Environmental Protections. We actively engage with the communities where we live and work, supporting them through volunteerism and charitable giving, as well as offering economic growth and stability with jobs, internships, and educational opportunities. In-depth information regarding our strategy, long-term initiatives, and examples of social and environmental stewardship can be found in Haworth’s Corporate Responsibility Report, available on our website at https://www.haworth.com/na/en/expertise/sustainability.html. Please see document [Haworth_Table_8_Corporate Social Responsibility Report] for complete description of sustainability efforts.	*

43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Haworth's Quality Assurance program has been in place for more than 25 years and is constantly being evaluated and updated as our organization evolves. Our Quality team benchmarks and partners with third-party organizations to ensure our efforts surpass world-class quality objectives. Haworth-owned manufacturing facilities in North America have been continuously certified ISO 9001 and ISO 14001 since 1998 (globally since 2010) and were last renewed in 2021. The following global certifications, standards, and accreditations are applicable to Haworth-owned manufacturing facilities globally: ISO 9001 ISO 14001 ISO 27002 ISO 45001 (in Germany, Switzerland, and China) A2LA Intertek Satellite Certified Lab Zero Production Waste to Landfill Haworth products are designed for the environment, tested to meet or exceed all relevant industry standards (ANSI BIFMA, UL/C-UL, ADA, Flammability, USEPA, ETV, ASTM, GREENGUARD), and are covered by industry leading warranties. Our products are composed of high-recycled content, have high recyclability at end of life, and more than 95% of our products are GREENGUARD Indoor Air Quality and/or BIFMA level certified for lower emissions. Most of our wood products are offered as FSC certified. Haworth's product statements which highlight product performance and climate impact (including global warming potential, acidification potential, and eutrophication potential) are available on Product Environmental Data Sheets and available on request. Note: Haworth has replaced MBDC Cradle to Cradle with the BIFMA level™ certification, specifically BIFMA e-3-2008 Furniture Sustainability Standard certification. BIFMA level 3 is an industry accepted product certification that is third party verified. The certification requires Haworth to review chemistry, life cycle assessment, product recycling at end of life, and many other items that are similar if not the same as what Cradle to Cradle requires. As a sustainable corporation, Haworth is committed to the ongoing evaluation of processes and practices that will help us understand, reduce, and eliminate the negative environmental impacts of products and workspaces while supporting business models that promote employee wellbeing. Ongoing initiatives include: • Increasing renewable energy • Further reductions in water, waste, and energy usage • Chemical and material declaration • Banned chemical elimination • 100% Sustainable Wood Sourcing goal • 100% Signed Code of Conduct goal We produce 133 low-emitting product lines. Since 2005, through our Environmental Management System (EMS) we have reduced our VOC emissions by 93%, GHG emissions by 20%, and energy use by almost 30%. More than 95% of our products are air quality certified (GREENGUARD).	*

44	Describe any quality management and environmental system certifications attained by your organization (LEED, Greenguard Indoor Air Quality, ANSI, BIFMA or others).	All Haworth owned manufacturing facilities are Certified to ISO 14001 and maintain Zero Waste to Landfill status. Haworth is also a member of the US Green Building Council, and several showrooms, including our global Headquarters, are LEED certified. Environmental product certifications in North America include: BIFMA LEVEL 2; BIFMA LEVEL 3; GREENGUARD; GREENGUARD Gold; Declare; and Cradle to Cradle Bronze. Haworth products are designed for the environment, are covered by industry-leading warranties, and are tested to meet or exceed a variety of industry standards including but not limited to: ANSI BIFMA BIFMA level® UL/C-UL USEPA A2LA FSC certified wood ETV ASTM NFPA ISO GREENGUARD GREENGUARD Gold ICC IBC CGSB SCS Indoor Advantage (Europe only) GECA China Type I Environmental Label LEED Haworth is committed to doing our part with material choices, adhesives, paints, and procedures maintaining the standards set forth by the US Green Building Council when obtaining LEED Silver to LEED Platinum certifications. Our products contribute to a wide range of LEED credits to help our clients achieve all levels of certification. Most Haworth products are GREENGUARD Indoor Air Quality and/or BIFMA level certified as low-emitting furniture. They are comprised of pre- and post-consumer content, are designed with recyclability at end of life in mind, are manufactured in the United States, and are free of harmful chemicals. Our products are designed to work together within and across products lines to create a more sustainable, adaptable, and economical workplace, and have helped clients achieve first-ever innovation and design credits. Haworth panel systems products can also contribute to daylight and views LEED credits. Proper documentation for each LEED credit can be easily and quickly obtained through any Haworth sales contacts. To date, Haworth has helped clients with LEED credit documentation on hundreds of projects. WELL Building Standard The WELL Building Standard takes a holistic approach to health in the built environment, addressing behavior, operations, and design. Our approach to well-being aligns those criteria with our values, product strategies, and our point of view in designing spaces to provide optimal environments where both members and visitors can thrive. We have learned a great deal about incorporating additional environmental systems to enhance air and water quality, complementing our commitment to optimal work environments through such as to natural daylight. Our Los Angeles showroom was one of the venues for piloting an application of the WELL® Building Standard, a performance-focused system for measuring, certifying, and monitoring features of the built environment to promote the health and wellness for people. The pilot provided a learning experience that put well-being at the core of good design, which takes into consideration all aspects of an optimal environment including physical, cognitive, and emotional elements. Going forward, we remain committed to implementing well building standards as part of our strategy for space design that benefits both our members and our customers. With the advent of the first wellness-based building standard, pioneered by DELOS®, Haworth was eager to implement the WELL Building Standard both in our products and showrooms globally. Haworth had the first WELL Certified project in China, as well as the first WELL certified office furniture showroom in the United States. BIFMA Haworth has replaced MBDC Cradle to Cradle with the BIFMA level™ certification, specifically BIFMA e-3-2008 Furniture Sustainability Standard certification. BIFMA level 3 is an industry accepted product certification that is third party verified. The certification requires Haworth to review chemistry, life cycle assessment, product recycling at end of life, and many other items that are similar if not the same as what cradle to cradle requires.

45	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	While Haworth is neither a small business nor minority-owned, we have programs in place to foster and implement supplier diversity. We sell and distribute our product through a robust network of certified dealers, most of which are small businesses, and include MWVBE classifications including MBE, WBE, VBE, and SDVOSB. In addition, Haworth is proud to have received the 2020/2021 Gold Level Employer Certification in the Veteran-Friendly Employer Program sponsored by the Michigan Veteran Affairs Agency (MVAA). This honor places Haworth in the top 8 percent of the 401 employers and organizations to receive gold certification and signifies Haworth has some of the best jobs for veterans in Michigan. Haworth hosts and participates in activities and programs, including sponsorship of a Veteran Member Resource Group (VMRG). VMRG fosters community while providing support for Haworth service members and veterans, as well as their families. We are committed to identifying, developing, and working with diverse dealerships to help our clients meet their diverse spend objectives. Please see attached document [Haworth_Table_8_Haworth Dealer Listing] for full list of Haworth's North American Dealer certifications. Through our manufacturing organization, Haworth engages with many business for the procurement of raw materials to produce the finished product that is sold to customers. Please see document [Haworth_Table_8_Supplier Diversity Program] for information on our goals to broaden our collaboration with a diverse supply chain.	*
46	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Haworth is the market leader in building strategic long-term partnerships with our clients. We support teamwork using a partnership model that results in better understanding of their organizational needs, culture, and goals. Along with our dealers, we work collaboratively with clients to identify best possible product solutions and layouts and ways to utilize space more efficiently. We actively develop tools and processes to encourage long-term bonds with our major customers, many of whom have been customers for 10 years or longer. For complex projects, we have utilized Value-Stream Mapping which brings key team members together to sequentially map out each step, resulting in increased efficiency and the elimination of redundancies. Related drivers that help sustain these relationships include: • Communicating and documenting value-added solutions • Maintaining focus on clients' evolving needs • Addressing improvement opportunities in an open, collaborative manner There are three key aspects that set us apart from our competitors. The first is Organic Workspace®, our process for creating inspiring spaces and our perspective of workplace design. Organic Workspace enhances the effectiveness of people and the efficiency of real estate. A key component of this is our design point of view, what we refer to as Performance + Desire, which encompasses elements of empathy, beauty, simplicity, performance, balance, and craft. This viewpoint led to the development of Haworth's Integrated Palette™ and a holistic portfolio of products (including systems, storage, tables, desking, and walls) that helps customers embrace change. Many of our product lines are designed to integrate not only on fabrics and finishes, but also on other factors (such as interconnectivity and scale), so that no matter how many times product is reconfigured, reused, or moved, the workspace will maintain a clean and cohesive appearance. Pieces can be moved, swapped, and rearranged, providing customers with the assurance that the design they create for today has the flexibility to change for future needs and evolving workstyles with minimal cost and effort. Products that are easily reused, rewired, and repurposed not only ease space reconfigurations by broadened application possibilities, but also retain their value, ultimately resulting in more sustainable spaces. We are also the most global company in our industry. We manufacture product in the communities we serve, providing us with the ability to absorb knowledge, design acumen, and cultural diversity throughout a broad geographic range, which ultimately leads to even greater ability to serve our customers. We serve markets in more than 150 countries and employ more than 8000 people, nearly half of whom live outside of the United States. We operate 17 wholly owned manufacturing facilities in eight countries throughout North America, Asia, and Europe, and are the only global company whose owned manufacturing facilities are all Zero Production Waste to Landfill and ISO-certified, enabling greater control over quality. Finally, among the major manufacturers in the contract furniture industry, only Haworth is still privately owned. This autonomy frees us from the constraints of a corporate board and makes us accountable only to our customers and employees. Our customers benefit by our ability to implement rapid change if needed or flex our workforce according to customer demand. We also have greater capacity to make long-term investments to find new ways to solve for the needs of customers – now and in the future.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
47	Do your warranties cover all products, parts, and labor?	All warranty parts and labor are provided at no charge to the customer, for as long as the product is covered under the warranty period. We take warranty correction seriously, and along with our dealers, work diligently to ensure client concerns are addressed immediately. As your first point of contact, your dealer will investigate issues as soon as they are raised – either on site, by phone, or email – depending on circumstances, and either repair the issue or place an expedited order for replacement parts or product. Orders are monitored and tracked until the warranty issue is fully resolved. Haworth also maintains a robust team of 15 full-time, North America-based, Field Technical Representatives, who investigate quality issues on-site and ensure warranty claims are processed quickly in. All warranty claims are tracked through a process that allows us to closely monitor issues. Should a systemic product issue be identified, it is swiftly corrected (through processes that may involve re-engineering or other design modification and re-testing), enabling Haworth to keep warranty claims to a minimum. Haworth offers Limited Lifetime Warranty coverage including parts and labor on most systems, storage, and worksurfaces. Our full North American warranty, included in our response [Haworth_Table_9_Warranty], includes detailed information regarding warranty coverage on all Haworth products and components.	*
48	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	In North America, Haworth offers Limited Lifetime Warranty coverage, including parts and labor, on most of our products. A product covered by the Lifetime warranty begins on the date of manufacture and continues for as long as the end-user purchaser continues to solely own, posses, and use the covered product. Our North American seating warranty is 12 years with around the clock usage, 365 days each year for users up to 325 lbs. Wood products are also warrantied for 12 years. For full details on all products and components, please see Haworth's complete warranty statement. Haworth recognizes that many of our customers don't close their doors at 5 pm, and that the same furniture may be used by many people throughout the week and weekends. To accommodate their needs, Haworth's warranty provides coverage for use around the clock, seven days a week, 52 weeks a year.	*
49	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Our North American limited warranty covers shipping and installation of parts to repair the product as well as travel time and mileage to perform all necessary labor for the warranty claim.	*

50	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	All regions where product is sold are covered under warranty including service to repair the warranty. Haworth and its dealer partners take warranty correction seriously and we are committed to resolving issues to our clients' complete satisfaction. All warranty claims are tracked through a Field Problem Report process, which allows our field technicians to closely monitor issues. Should a systemic product issue be identified, it is swiftly corrected, enabling Haworth to keep warranty claims to a minimum. Our dealers manage all long-term warranty and service requests with support from Haworth. When a product issue, warranty need, or other service request is communicated, your designated point of contact will begin the process of resolution. Dealers will commit to responding to all service calls within 48 business hours of receiving the request. Often, a diagnosis can be made via phone call or email exchange, eliminating the need for a visit. If a site visit is required however, it will be scheduled as soon as possible at the customer's convenience. The steps involved in each scenario are outlined below: Warranty Process A: Diagnosis made via phone, email, or on-site dealer inspection • Discovery – customer contacts dealer Project Manager with notification of issue • Diagnosis – if immediate diagnosis can be made and service parts are in stock, dealer will schedule service work at customer's earliest convenience. If parts are not in stock, an order will be generated and expedited through Haworth customer service. • Repair or Replace – Service technician repairs or replaces product on-site as scheduled with customer. For warranty issues that require parts to be ordered, Dealer will advise customer on expected ship date and will schedule repair accordingly. Warranty Process B: Diagnosis cannot be made via phone, email, or on-site dealer inspection • Discovery - customer contacts dealer Project Manager with notification of issue • Site Visit – if immediate diagnosis cannot be made, dealer's service technician is scheduled to visit at a time convenient to customer • Diagnosis – if the service technician can make a diagnosis during visit, parts are immediately ordered, and customer is notified when they arrive. If a diagnosis cannot be made, the product is brought back to dealer for further review. • Repair or Replace – If issue can be corrected via repair, customer is notified when parts arrive, and product is repaired on-site at customer's earliest convenience. If product must be replaced, an order will be generated and expedited through Haworth's customer service team and delivered to customer upon receipt. In either scenario, any issue presenting a safety risk will be responded to immediately. If the product is not useable, a plan will be developed to provide temporary alternatives until a permanent solution is found. All warranty services will be performed by a manufacturer-certified service technician and executed in a manner that will cause the least amount of disruption within the space.	*
51	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Haworth's warranty covers warranty service for products manufactured by Haworth. Any products manufactured by the extensive Haworth family of brand partners (as outlined in Table 1 of our response) would be serviced via the Haworth dealership network in partnership with the specific manufacturer.	*

52	What are your proposed exchange and return programs and policies?	As a just-in-time manufacturer, most Haworth products are built to order, and like other major competitors in the industry, does not have a published return policy. Although returns on a piece-by-piece basis are not permitted, any product with a defect will be either replaced or fully corrected to a client's complete satisfaction. Returns requested due to a customer error or reconsideration are not accepted, but in all cases, customer satisfaction is our primary goal. Haworth and its dealers will always work with your organization to find a mutually acceptable solution to any problem. Some examples of alternatives to returning product include: • Warehousing the product for redeployment on future projects • Providing a line item credit against the project to show the return and charge for the product on another project • Sourcing a wholesale partner who may be interested in purchasing the product • Sourcing a charity and facilitating e a charitable receipt in exchange for the product	*
53	Describe any service contract options for the items included in your proposal.	Extended warranties may be offered under some circumstances and are discussed as part of a contract negotiation process directly with the participating entity. Decisions to offer an extended warranty are based on a variety of factors, including overall project scope, product mix, location, and use. Upon award, we would be happy to discuss whether extended warranties would be a good option for specific projects.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods.	Standard terms are net 30 days from invoice date. Acceptable payment methods are cash and ACH. In addition, Haworth offers customers a choice of dealer bill, direct bill or both dealer and direct billing options. Our goal is to work with each customer and discuss the best billing options	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	In partnership with PNC Vendor Finance, Haworth offers a competitive and flexible option for financing our product. Non-Haworth product and other costs can also be rolled into the financed amount at the standard HPS rate. Pre-established payment options include the following: -24 monthy payments at 0% (first and last payments due in advance) -36 monthly payments at 3% (no advance payment due) -48 monthly payments at 4% (no advance payment due) Please see document [Haworth_Table_10_Payment Solutions] for full program summary of the financing option we provide.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	We have included standard transaction documents from Fluid Interiors (which is the Haworth dealer located in the State of MN). These are a representative sample of what would be expected for participating entities when they work with one of our dealers. Each dealer provides their own version of these documents. Any additional sample documents can be provided by request. See document [Haworth_Table_10_Fluid Transaction Documents] for example Purchase Order, Invoice, and Terms & Conditions Documents	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Haworth would accept a P-card procurement and payment process, which would be handled by our dealers in the local market supporting the project. No additional costs would be incurred by Sourcewell participating entities.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	

58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	The Haworth pricing model is based on a product category discount which applies to all product SKUs in the product line. Haworth is not providing individual SKUs for this RFP because this would result in hundreds of thousands of individual line items due to our extensive Sourcewell product offering. We have included a SIF file, which is used primarily in the furniture industry and is created from the bill of materials (BOM) and generally includes attributes specific to each product and all available configurations such as product numbers, product descriptions, list prices, manufacturer code, etc. See document [Haworth_Table_11_Detailed Pricing Sheet] for this representative example of individual product SKUs showing basic options products and their corresponding list price, discounts, and final net dollar amount. This would be the customer pricing methodology used for all products on a project.	*
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Haworth uses a "discount off list" from its commercial price list catalogs where each product line receives its own discount. Some product lines are also grouped with other product lines and receive the same discount. Haworth is providing a discount summary sheet for Sourcewell, which can be found as an attachment in the documents section [Haworth_Table_11_Product Summary Sheet]. The product summary sheet shows the proposed discounts off of list for each category starting with $1 purchase and indicates a negotiable tier to be used for larger volume projects.	*
60	Describe any quantity or volume discounts or rebate programs that you offer.	Haworth offers Sourcewell negotiable tier discounts. These discounts can be accessed by any Sourcewell customer when their total list dollar amount exceeds $150,000. Deeper discounts vary depending on total amount and product offering.	*
61	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Haworth includes a broad variety of product lines to support client's needs across their floorplates. The RFP response includes only product manufactured by Haworth and affiliated brands (as outlined in Table 1 of our response). Any "open market" product that is manufactured by companies other than Haworth would be available for purchase through our dealers. The cost of the procurement of these products would be handled directly between the dealers and the Sourcewell participating entity.	*
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	The pricing provided in our pricing matrix includes the cost of the product and freight. All services related to the design, specification, project management, ordering, installation, post-installation, and warehousing of the product is handled by the dealers. The cost for these services would be communicated by the individual dealer in collaboration with the participating entity.	*
63	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Haworth has established agreements for transportation and delivery of Haworth product with national transportation suppliers. The volume shipped, and Haworth’s ability to provide products in full truckload quantities, puts Haworth in a position to negotiate the best possible price for shipments. To afford customers with a degree of cost certainty, transportation fees have been factored into Haworth prices, regardless of whether the shipment is a full truckload or less than truckload. It is not possible to break out freight charges on an individual shipment basis and charge variable transportation rates due to the variations in locations, distances, schedules, labor rates, and fluctuating fuel costs. As a result of these variations, freight charges are pre-paid by Haworth to all United States (including Alaska and Hawaii) destinations (CPT) and Canadian destinations (DDP).	*
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Haworth has established agreements for transportation and delivery of Haworth product with national transportation suppliers. The volume shipped, and Haworth’s ability to provide products in full truckload quantities, puts Haworth in a position to negotiate the best possible price for shipments. To afford customers with a degree of cost certainty, transportation fees have been factored into Haworth prices, regardless of whether the shipment is full truckload or less than truckload. It is not possible to break out freight charges on an individual shipment basis and charge variable transportation rates due to the variations in locations, distances, schedules, labor rates, and fluctuating fuel costs. As a result of these variations, freight charges are pre-paid by Haworth to all United States (including Alaska and Hawaii) destinations (CPT) and Canadian destinations (DDP).	*

65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Standard Delivery: Haworth products are sold and serviced through our robust network of 400 authorized and preferred dealers. More than 200 of these dealers are located throughout North America and provide service to every state and province. Product ships from Haworth's 360,000 sq. ft. Distribution Center at Haworth's headquarters in Holland, Michigan. Haworth is a Just-in-Time manufacturer, meaning all products are manufactured to customer orders. All of Haworth's Preferred dealers have access to warehouse spaces, either owned or contracted, and can provide warehouse services for customers across the country, if requested. The product can either go directly to a client's site or to one of our dealers' warehouses to be held until time of delivery on site. Determination of the method of delivery would be by the preferences of the end user. Haworth will discuss customer expectations well before the order is formally placed. As previously mentioned, adherence to on time complete deliveries is closely monitored via a measurement called Delivered on Time, Correct and Complete (DOTCC). DOTCC is the most visible internal customer measurement at Haworth as well as the most important goal. DOTCC tracks performance to shipping "on time and complete" and the subsequent delivery of each order. The ultimate goal is 100%. A DOTCC meeting is held daily with all plants to track expected individual order performance and identify any issues before shipment. Since Haworth is a just-in-time manufacturer, order processing is synchronized with manufacturing. Individual products are manufactured and labeled by order number and specific tagging instructions provided by the customer. Product cartons are bar-coded and scanned to ensure they are correct for that order. Additionally, Haworth focuses on shipping and delivering customer orders on time and complete. This area has one of the most visible measurement in the company. Haworth picking, packing, staging, and loading process are managed electronically (through scanning of bar-coded rack and carton labels). The final scan is at the mouth of a trailer as each carton is loaded for shipment. This scanning record is reconciled against the customer order and is the source data for the generation of shipping documents. As a result, the packing list for a shipment is guaranteed to match the product on that trailer and is fully reconciled to the product ordered by the customer. The following documents accompany the shipment: • Packing List • Circle Sheet (check-in sheet for the unloader) • Bill of Lading In addition, our Customer Service Coordinators provide exception-driven updates for each customer. Timing varies based on the stage of the order (pre-order, in process, shipped, etc.). We monitor every order until it is 100% complete. The fill rate requirement is 100% since we build everything to order (rather than the traditional forecasting and stocking that "fill rate" normally implies). Expedited Delivery: Haworth has established an in-stock program for many products including height adjustable tables and task seating. This program enables our dealers to service clients that have rapid turnaround time requests. See document [Haworth_Table_11_NOW Flyer for Education] for an example of this program.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Haworth has individuals within our contract management team who perform monthly audits on sales reports prior to creating final customer reports or payments. Our database employs contract holder number and partner number field links to ensure only customers properly linked get pulled into the reporting. The audit is to ensure that linked customers are using the correct contract holder number or partner number. If not properly linked, they become unlinked in our database and removed from the monthly report.	*
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Haworth would use various metrics to measure success with the Sourcewell contract including the following: • Total annual spend • Total spend by state/public agency • Total spend by product category (systems, seating) • Total state spend by product category • Spend by product line (Compose, Soji) • Spend by product number (ABC-123) with or without fabric and finish selections • Order lead time • Review and management of terms and conditions • New product introductions and market trends • Dealer updates • Quality and/or corrections review	*
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Haworth is proposing paying Sourcewell a 3% administrative fee on total quarterly sales.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Haworth's product offering for the Sourcewell contract is derived from our Organic Workspace approach to supplying product offerings to cover all needs on a project floorplate. Designed to embrace change, Organic Workspace helps you align space with strategy. It offers greater choice and flexibility, rather than a single rigid solution that attempts to anticipate every need ahead of time. A space capable of evolving along with your organization's strategy will help reduce the cost of realigning the workforce and space to support changing market dynamics. Haworth's breadth of product is wide and allows us to furnish virtually every area of our customers' facilities including outdoor areas. Our product portfolio includes seating, storage, desks and tables, systems, lighting, accessories, integrated technology, ancillary furniture, and modular walls. We offer thousands of product lines, each with numerous features and options, and in a variety of sizes and styles. A high level summary is provided below, but Haworth's full statement of line, including photographs, technical specifications, and pricing can be viewed on our website at www.Haworth.com/products. Product Categories include the following: • Seating • Workspaces • Lighting • Technology • Desks and Tables • Storage • Accessories • Architectural Interiors	*
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Subcategories for the product offered in our response are included below: • Seating: Task and Executive Chairs, Visitor and Conference Chairs, Lounge (sofas, chairs, benches), Stacking Chairs, Stools, Acoustic Seating, Dining, Outdoor • Workspaces: Spine-based, Panel-based, Benching and Desking, Private Office, Shared and Booth • Lighting: Table, Floor, Pendant, Acoustic • Technology: Collaboration, Teamwork • Desks and Tables: Collaborative, Conference, Height Adjustable, Side and Occasional, Training, Dining, Outdoor • Storage: Files and Pedestals, Cabinets and Towers, Shelves, Bookcases, Recycling Products • Accessories: Rugs and Decor, Mobile Carts, Privacy Screens, Easels and Whiteboards, Monitor Arms, Electrical Components • Architectural Interiors: Moveable Walls, Architectural Panel Systems, Acoustic Solutions	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
72	Desks and workstations (stationary, sit-to-stand, control and dispatch consoles, charging stations)	(•) Yes ( ) No	N/A	*
73	Chairs	(•) Yes ( ) No	N/A	*
74	Tables	(•) Yes ( ) No	N/A	*
75	Modular and demountable walls	(•) Yes ( ) No	N/A	*
76	Cubicles	(•) Yes ( ) No	N/A	*
77	Patio or outdoor	(•) Yes ( ) No	N/A	*
78	Seating (benches, fixed stools, ottomans, integrated power systems)	(•) Yes ( ) No	N/A	*
79	Casegoods	(•) Yes ( ) No	N/A	*
80	Residential hall furnishings	(•) Yes ( ) No	Resident Lounge/Public Spaces: Yes Dorm Furniture (Beds, dressers, etc.): NO	*
81	Related services including rental, design, space planning, installation, assembly, safety inspection, repair, renovation, refurbishment, re-manufacture, retrofit or recycling services to the offering above; and	(•) Yes ( ) No	Provided by Haworth Dealers as needed	*
82	Proposers may also include related storage and technology integrated furniture solutions, ergonomic solutions and accessories, workspace systems and accessories to the extent that the offering is ancillary or complementary to an offering of Furniture Solutions as described in Lines 72-81 above.	(•) Yes ( ) No	Ergonomic tools, technology, technology-enabled lockers, collaboration tools, medical carts, medical lab products, mobile white boards, mobile monitor easels, trash/recycling storage	*

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 83. **NOTICE**: To identify any exception, or to request any modification, to Sourcewell standard Contract terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Contract Template provided in the "Bid Documents" section. Proposer must upload the redline in the "Requested Exceptions" upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcewell and will not automatically be included in the Contract.

Do you have exceptions or modifications to propose?	Acknowledgement *
None at this time.	(•) Yes ( ) No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - Haworth_Pricing.zip - Wednesday September 13, 2023 15:32:42
- Financial Strength and Stability - Haworth_Table_2_Financial Strength Letter.pdf - Monday September 11, 2023 15:29:11
- Marketing Plan/Samples - Haworth_Table_7_Marketing Plan_Examples.zip - Wednesday September 13, 2023 15:33:15
- WMBE/MBE/SBE or Related Certificates - Haworth_WMBE_MBE_SBE Certificates.zip - Wednesday September 13, 2023 15:34:42
- Warranty Information - Haworth_Table_9_Warranty.pdf - Wednesday September 13, 2023 15:34:56
- Standard Transaction Document Samples - Haworth_Standard Transaction Document Samples.zip - Wednesday September 13, 2023 15:36:49
- Requested Exceptions (optional)
- Upload Additional Document - Haworth_Additional Documents.zip - Wednesday September 13, 2023 15:37:33

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Matt Corl, Business Resource Center Business Segments Manager, Haworth, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_4_Furniture_Solutions _RFP_091423 Tue September 5 2023 03:34 PM	☑	2
Addendum_3_Furniture_Solutions _RFP_091423 Thu August 31 2023 12:47 PM	☑	5
Addendum_2_Furniture_Solutions _RFP_091423 Tue August 29 2023 02:17 PM	☑	2
Addendum_1_Furniture_Solutions _RFP_091423 Fri August 18 2023 11:06 AM	☑	2

RFP 091423 - Furniture Solutions with Related Accessories and Services

Vendor Details

Company Name:	Haworth, Inc.
Address:	One Haworth Center Holland, Michigan 49423
Contact:	Tim Hodges
Email:	tim.hodges@haworth.com
Phone:	616-834-1994
Fax:	616-834-1994
HST#:	

Submission Details

Created On:	Monday July 31, 2023 08:28:16
Submitted On:	Thursday September 14, 2023 10:43:49
Submitted By:	Courtney Griggs
Email:	courtney.griggs@haworth.com
Transaction #:	d12319f0-25c4-42cf-ae64-5bf0c932469a
Submitter's IP Address:	208.45.164.186

Specifications

Table 1: Proposer Identity & Authorized Representatives

General Instructions (applies to all Tables) Sourcewell prefers a brief but thorough response to each question. Do not merely attach additional documents to your response without also providing a substantive response. Do not leave answers blank; respond “N/A” if the question does not apply to you (preferably with an explanation).

Line Item	Question	Response *	
1	Proposer Legal Name (one legal entity only): (In the event of award, will execute the resulting contract as "Supplier")	Haworth, Inc.	*
2	Identify all subsidiary entities of the Proposer whose equipment, products, or services are included in the Proposal.	Haworth Inc. is comprised of a broad range of companies with a strong design heritage and global perspective. We also maintain partnerships with other companies that offer products which complement our existing product lines. Our Family of Brands includes the following: Affiliate Brands (included in RFP response) • Haworth Ancillary (Lifestyle Designs) • Haworth Health (Healthcare) • Hushoffice (Office Pods) • BuzziSpace (Acoustic Furniture Solutions) • JANUS et Cie (Outdoor Furniture) • Cappellini (Italian Designed Furniture) • Cassina (Italian Designed Furniture) • Poltrona Frau (Italian Designed Furniture) • AIS (Corporate Furniture) • GAN (Rugs) • Pablo Designs (Lighting) • Ergotron (Ergonomic tools) • Emeco (Durable, Design-Focused Furniture) Brand Partners (available through dealer partners, not included in RFP response) • Kvadrat (Textiles) • TUOHY Furniture (Premium Workplace Furniture) • Bluescape (Technology)	*
3	Identify all applicable assumed names or DBA names of the Proposer or Proposer's subsidiaries in Line 1 or Line 2 above.	N/A	*
4	Provide your CAGE code or Unique Entity Identifier (SAM):	1H741	*
5	Proposer Physical Address:	One Haworth Center Holland, MI 49423	*
6	Proposer website address (or addresses):	www.haworth.com	*
7	Proposer's Authorized Representative (name, title, address, email address & phone) (The representative must have authority to sign the “Proposer’s Assurance of Compliance” on behalf of the Proposer and, in the event of award, will be expected to execute the resulting contract):	Matt Corl Business Resource Center Business Segments Manager One Haworth Center Holland Michigan 49423 matt.corl@haworth.com 1-616-393-3000	*
8	Proposer's primary contact for this proposal (name, title, address, email address & phone):	Courtney Griggs Territory Sales Manager 100 N 6th Street Minneapolis, MN 55401 courtney.griggs@haworth.com 1-612-212-5691	*
9	Proposer's other contacts for this proposal, if any (name, title, address, email address & phone):	Tim Hodges Sales and Marketing Program Manager One Haworth Center Holland Michigan 49423 tim.hodges@haworth.com 1-616-834-1994	

Table 2: Company Information and Financial Strength

Line Item	Question	Response *	
10	Provide a brief history of your company, including your company's core values, business philosophy, and industry longevity related to the requested equipment, products or services.	Established in 1948 by G.W. Haworth in Holland, MI, and family-owned and privately held ever since, Haworth evolved from a small home-based business into a global corporation that manufactures the most adaptable and sustainable products in the contract furniture industry today. Today, and still headquartered in Michigan, Haworth has a presence in more than 150 countries and employs 8,000 people globally. We operate 17 wholly owned manufacturing facilities and market and sell products and services through 45 showrooms around the globe. With manufacturing facilities, showrooms, and dealers located in North America, Europe, South America, Africa, the Middle East, and Asia Pacific regions, we extend delivery services to most places around the globe. Our customer base is comprised of thousands of businesses including more than half of the Fortune 500. Our largest clients come from the fields of technology, finance, real estate, transportation, research, healthcare, and hospitality, as well as from the government and non-profit sectors. Our company is divided into three separate business segments: Commercial Interiors, Lifestyle Design, and Performance Technology. Haworth products go to market via an extensive network of 400 dealers strategically located worldwide. Dealers in North America provide coverage to every state in the US and every province in Canada. This extensive network assures our customers a consistent quality experience, no matter where they are located, where a project installs, or how many other projects are occurring simultaneously. All dealers have extensive product knowledge and are valuable resources as design partners. We manufacture and distribute contract and residential furniture including, seating, tables, workstations, systems, desking, lounge furniture, lighting, accessories, and technology tools, providing customers with options to furnish virtually every area, including outdoor spaces. Haworth also manufactures modular walls to provide an architectural element that integrates with other Haworth product lines on many levels including finishes, resulting in a clean and coordinated aesthetic. With a record of continuous growth and profitability, Haworth is a fiscally responsible company with a Dun & Bradstreet rating of 5A2 and one of the strongest financial conditions in the industry. Annual sales in 2022 were approximately $2.1 billion. The company's growth is due, in part, to strategic investments in research, design, and acquisitions throughout its history that have expanded its portfolio and network to meet ever changing market dynamics. Please see document [Haworth_Table_2_Haworth Overview] and [Haworth_Table_2_Values] for additional summary of our Story, Values, and Vision.	*
11	What are your company's expectations in the event of an award?	Haworth's expectations after winning the award is to provide Sourcewell customers with outstanding products, aggressive discounting and superior Haworth dealer and customer service. Furthermore, Haworth will launch a U.S. and Canadian marketing campaign to Haworth dealers and salespeople ensuring the award receives maximum exposure while also highlighting future contract training opportunities.	*
12	Demonstrate your financial strength and stability with meaningful data. This could include such items as financial statements, SEC filings, credit and bond ratings, letters of credit, and detailed reference letters. Upload supporting documents (as applicable) in the document upload section of your response.	Please see document [Haworth_Table_2_Financial Strength Letter] from Haworth's CFO Scott Poulton summarizing our financial strength.	*
13	What is your US market share for the solutions that you are proposing?	Haworth experiences market share fluctuation like any company does. Annually, Haworth expects to have between 8-15% of the US Commercial Furniture market share which includes healthcare, education, government, financial/banking, service, technology, and manufacturing industries.	*
14	What is your Canadian market share for the solutions that you are proposing?	Haworth expects to have about 9% of the CAN Commercial Furniture market share which includes healthcare, education, government, financial/banking, service, technology, and manufacturing industries.	*
15	Has your business ever petitioned for bankruptcy protection? If so, explain in detail.	Haworth has never been involved in a bankruptcy. The company is financially sound and maintains one of the strongest financial conditions in the industry.	*

16	How is your organization best described: is it a manufacturer, a distributor/dealer/reseller, or a service provider? Answer whichever question (either a) or b) just below) best applies to your organization. a) If your company is best described as a distributor/dealer/reseller (or similar entity), provide your written authorization to act as a distributor/dealer/reseller for the manufacturer of the products proposed in this RFP. If applicable, is your dealer network independent or company owned? b) If your company is best described as a manufacturer or service provider, describe your relationship with your sales and service force and with your dealer network in delivering the products and services proposed in this RFP. Are these individuals your employees, or the employees of a third party?	Haworth is a manufacturer. Currently, Haworth employs approximately 300 members in North America that make up the field sales and sales support roles. Our Sales Team has the support of the entire organization. Oversight and support are provided by individuals and groups throughout the company, including Executive Leadership, Customer Service, Tailored Solutions, Technical Support, Order Processing, Logistics and Planning, Sustainability, Product Line Marketing, Distribution, and more. The Sales Team is further supported by our dealer network, which provides global project management, design, and service support at the local level across the globe. Haworth products are sold and serviced through our robust network of 400 authorized and preferred dealers. More than 200 of these dealers are located throughout North America and provide service to every state and province. Product ships from Haworth's 360,000 sq. ft. Distribution Center at Haworth's headquarters in Holland, Michigan. Haworth is a Just-in-Time manufacturer, meaning all products are manufactured to customer orders. All of Haworth's preferred dealers have access to warehouse spaces, either owned or contracted, and can provide warehouse services for customers across the country, if requested. Haworth and its dealers share a partnering philosophy that can be defined as the formation of a true team, committed to an adaptive, cooperative approach to doing business. We value our customers and take pride in maintaining ongoing relationships long after product installation is complete. Our goal is not to simply sell you product today, but rather to build the foundation of a strong working relationship that develops and thrives for years to come. Haworth has a robust network of financially sound, customer-focused, and solution-oriented dealer partners; we provide them with equally well-rounded support, including strategic insights and manufacturer oversight. We develop and deploy dealer programs that ensure we are delivering the highest quality products and services possible. All Haworth dealers must continuously demonstrate superior performance in meeting customer needs. To enable their success, Haworth offers a variety of tools and resources, including: • Dealer Development (16-member team; members are experts in Finance, Dealer Programs, Marketing and Social Media, Lean/Process Management, Administration, and Field-Based Sales Support) • Training on new products and services • Regional and national dealer meetings on relevant business topics • Marking and branding tools that support co-branding • Financial benchmarking • Financial support for strategic growth • Electronic resources to keep them up to date on changes in product, policy, and process • Regional Dealer Managers who call on dealerships regularly to share updates, review projects, and share best practices. • Regional Field Tech Reps who provide technical support and/or training when needed • Network of local Haworth showrooms • Design Studios

17	If applicable, provide a detailed explanation outlining the licenses and certifications that are both required to be held, and actually held, by your organization (including third parties and subcontractors that you use) in pursuit of the business contemplated by this RFP.	Haworth and its dealers have been providing high-quality installation services on projects of all sizes for more than four decades. This includes projects ranging from a small single office to large complex projects that require a phased schedule for multiple floors, a complex of buildings, or that need to duplicate installations in multiple facilities across the globe. Installation services are delivered through our dealer partners and must be conducted by Haworth-certified installers. All dealers either have their own in-house certified installers or have well-established relationships with reputable installation firms that employ Haworth-certified installers. In North America alone, there are more than 2000 Haworth certified installers who provide services in every state and province. Haworth also employs a robust team of field technical representatives who are responsible for the education and training of Haworth-certified installers. Tech reps typically have engineering backgrounds and are well-versed in the details that allow them to fully deconstruct and reconstruct product. In addition to developing and delivering training for installers, they also collaborate with our sales teams to educate clients and end-users on product features, use, adjustment, and life cycle. Certified installers receive continuing education on new products and updates and must be recertified every three years. The following global certifications, standards, and accreditations are applicable to Haworth-owned manufacturing facilities globally: ISO 9001 ISO 14001 ISO 27002 ISO 45001 (in Germany, Switzerland, and China) A2LA Intertek Satellite Certified Lab Zero Production Waste to Landfill Haworth maintains or exceeds BIFMA standards on more than 95% of its product lines, maintains several non-required certifications, including: • ISO 9001 • ISO 14001 • ISO/IEC 17025 • U.L. Test Lab certification • ISO/IEC 17025 • U.L. Test Lab certification	*
18	Provide all “Suspension or Debarment” information that has applied to your organization during the past ten years.	N/A	*

Table 3: Industry Recognition & Marketplace Success

Line Item	Question	Response *	
19	Describe any relevant industry awards or recognition that your company has received in the past five years	One of the Haworth Values is to listen to our customers and we extend this to our award programs. This engagement with customers, vendors, community groups, the media and the design community means asking for an external review of our products, projects and processes. From MOMA to ISO certifications, Haworth has decades of feedback and global recognition. While not exhaustive, the provided documentation is a long history of design, innovation, environmental, safety, quality, customer satisfaction, ergonomic, education, communication, and community awards Please see document [Haworth_Table_3_Industry Awards] for full list of relevant awards and recognition.	*
20	What percentage of your sales are to the governmental sector in the past three years	In the past three years, Haworth's state, local and federal government combined sales totaled between $120 and $150 million per year. This represents 12% to 15% of Haworth's total sales.	*
21	What percentage of your sales are to the education sector in the past three years	In the past three years, Haworth's educational sales totaled between $50 to $70 million per year. This represents 5% to 7% of Haworth's total sales.	*
22	List any state, provincial, or cooperative purchasing contracts that you hold. What is the annual sales volume for each of these contracts over the past three years?	Please see attached document [Haworth_Table_3_State, Provincial and Cooperative Three Year Sales Reports].	*
23	List any GSA contracts or Standing Offers and Supply Arrangements (SOSA) that you hold. What is the annual sales volume for each of these contracts over the past three years?	Please see attached document [Haworth_Table_3_GSA Contracts, Standing Offers, SA].	*

Table 4: References/Testimonials

Line Item 24. Supply reference information from three customers who are eligible to be Sourcewell participating entities.

Entity Name *	Contact Name *	Phone Number *	
City of Fridley (MN)	Jeannie Benson - Facility Operations	763-572-3552	*
California State University - Fresno	Lori Pardi - Interiors Specialist	559-278-7742	*
City of Austin (TX)	Mike Zambrano - Procurement Specialist	512-974-3130	*

Table 5: Top Five Government or Education Customers

Line Item 25. Provide a list of your top five government, education, or non-profit customers (entity name is optional), including entity type, the state or province the entity is located in, scope of the project(s), size of transaction(s), and dollar volumes from the past three years.

Entity Name	Entity Type *	State / Province *	Scope of Work *	Size of Transactions *	Dollar Volume Past Three Years *	
State of Michigan	Government	Michigan - MI	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$42.8 million	*
U.S. Dept. of Homeland Security	Government	District of Columbia - DC	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$26 million	*
State of Tennessee	Government	Tennessee - TN	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$14.9 million	*
U.S. Marine Corps Base Hawaii	Government	Hawaii - HI	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$14.6 million	*
Dulles Discovery	Government	District of Columbia - DC	Full Product Catalog	Multiple Projects, Dollar Amount Varies	$13.8 million	*

Table 6: Ability to Sell and Deliver Service

Describe your company's capability to meet the needs of Sourcewell participating entities across the US and Canada, as applicable. Your response should address in detail at least the following areas: locations of your network of sales and service providers, the number

of workers (full-time equivalents) involved in each sector, whether these workers are your direct employees (or employees of a third party), and any overlap between the sales and service functions.

Line Item	Question	Response *	
26	Sales force.	Currently, Haworth employs approximately 300 members in North America that make up the field sales and sales support roles. Our Sales Team has the support of the entire organization behind it. Oversight and support are provided by individuals and groups throughout the company, including Executive Leadership, Customer Service, Tailored Solutions, Technical Support, Order Processing, Logistics and Planning, Sustainability, Product Line Marketing, Distribution, and more. The Sales Team is further supported by our dealer network, which provides global project management, design, and service support at the local level across the globe.	*
27	Dealer network or other distribution methods.	It has been Haworth's long-held belief that a strong dealer network of locally owned and operated dealers is fundamental to serving our clients. Before a dealer is certified as an authorized representative of Haworth, they are evaluated on a broad range of criteria including their ability to fulfill customer service needs and the demonstration of continually improving their operations. Out of our network of more than 200 independent and entrepreneurial Haworth dealers in North America, almost two-thirds of them have distinguished themselves further by attaining Preferred Dealer status. These dealers have made additional investments in their businesses and have aligned themselves more closely with Haworth on an ongoing basis.	*
28	Service force.	In North America, design, order, project management, installation, and warranty services are provided by Haworth-certified dealers. Haworth works closely with our dealers to ensure they are notified immediately of any delays or updates that would impact service. Account representatives and other Haworth members may also be brought in to help support dealers in addressing and swiftly resolving any issue. Haworth employs a staff of 15 Field Technical Representatives to further support projects by conducting formal quality inspections to ensure compliance with guidelines and quality standards, conducting facility staff training if requested, and overseeing and training Haworth certified installers throughout North America.	*
29	Describe the ordering process. If orders will be handled by distributors, dealers or others, explain the respective roles of the Proposer and others.	All public agencies have the option of submitting orders either through a Haworth dealer or of sending them directly to Haworth at orderentry@haworth.com. All orders will be channeled through a Haworth dealership, regardless of whether the agency has a dealer place the order on its behalf or submits a hard copy PO to Haworth via email. Orders placed by dealers are received electronically through Lynx, Haworth's proprietary, web-based interface, that allows dealers to run quotes, and place orders. Lynx is a tool used to confirm all proposals and orders are 100% accurate based on part number and contract price and discount. Haworth's orders are entered via our dealer network using Lynx. Lynx is Haworth's proprietary interface that manages the creation of new contract furniture proposals and orders using web technology. Lynx finds errors immediately. The system automatically responds to the sender in less than ten minutes if there is a problem. Faster, cleaner order entry is only one benefit. Lynx can also accept proposals and generate accurate price quotations in less than ten minutes and provides up-to-the-minute product and price information is available to all Haworth dealers to provide to their clients.	*

30	Describe in detail the process and procedure of your customer service program, if applicable. Include your response-time capabilities and commitments, as well as any incentives that help your providers meet your stated service goals or promises.	We employ a variety of processes, proprietary technology, and checks and balances to ensure your project is ordered, manufactured, shipped, delivered, installed, and maintained to your complete satisfaction. Our manufacturing facilities are certified to ISO 9001 standards, which require documented, closed-loop, corrective action for continuous improvement. We utilize a quality management system to track and record all issues. Analysis is conducted to understand root causes and to implement corrective actions. Instead of generic surveys, Haworth prefers to collaborate with our clients to establish pertinent and targeted Key Performance Indicators (KPIs) that have greater relevance to the individual customer relationship. These custom-designed surveys may be administered at a specified frequency, per project, or at a dollar threshold per project. Surveys are triggered by generating an email to the project leader, and data is tracked via the survey system. Performance is measured against the KPIs established, and reporting is available at established intervals. Together, the Haworth/Preferred Dealer team working with a client team will facilitate the best means to specify, order, deliver, state, and install the project. They will maintain strict product standards and communicate any anticipated changes, delays, or redesign to the client. In North America, design, order, project management, installation, and warranty services are provided by Haworth-certified dealers. Haworth works closely with our dealers to ensure they are notified immediately of any delays or updates that would impact service. Account representatives and other Haworth members may also be brought in to help support dealers in addressing and swiftly resolving any issue. Haworth Field Technical Representatives further support projects by conducting formal quality inspections to ensure compliance with guidelines and quality standards, conducting facility staff training if requested, and overseeing and training Haworth certified installers. As our face to the market, our dealer partners provide services to Haworth clients. Haworth monitors their performance via monthly closed-loop surveys to evaluate performance in the areas of overall customer satisfaction, knowledge of products, processes, and policies, ability to explain issues, and overall relationship. In addition to dealer surveys, our customer service management team also sends 80 - 100 surveys each month to clients who are actively using our products and services. These surveys are designed to closely track customer satisfaction and loyalty level to both Haworth and the dealer that provides services.	*
31	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in the United States.	Haworth is willing and able to serve Sourcewell participating entities in the United States.	*
32	Describe your ability and willingness to provide your products and services to Sourcewell participating entities in Canada.	Haworth is willing and able to serve Sourcewell participating entities in Canada.	*
33	Identify any geographic areas of the United States or Canada that you will NOT be fully serving through the proposed contract.	Haworth markets and sells products globally. The company has a presence in more than 150 countries, operates through more than 95 global showrooms and offices, and wholly owns and operates 17 manufacturing facilities in eight countries. Haworth products go to market via a robust network of 400 dealers worldwide, who provide all services in North America, as well as some areas internationally, depending on regional laws and regulations. There are no areas of the US or Canada that would be excluded from our sales and service capabilities proposed on this contract.	*
34	Identify any Sourcewell participating entity sectors (i.e., government, education, not-for-profit) that you will NOT be fully serving through the proposed contract. Explain in detail. For example, does your company have only a regional presence, or do other cooperative purchasing contracts limit your ability to promote another contract?	There would be no restrictions to the sale and service of products on this proposed contract within any participating entity sector.	*
35	Define any specific contract requirements or restrictions that would apply to our participating entities in Hawaii and Alaska and in US Territories.	There are no specific contract requirements or restrictions that would apply to participating entities in Hawaii, Alaska, or US Territories.	*

Table 7: Marketing Plan

Line Item	Question	Response *	

36	Describe your marketing strategy for promoting this contract opportunity. Upload representative samples of your marketing materials (if applicable) in the document upload section of your response.	Upon award, Haworth will develop a co-branded news release for internal and external social media channels. Furthermore, Haworth has several intranet websites that offer outstanding communication tools, and the award, along with all required contract details and contact information, will be published on those sites when contract is awarded. When appropriate, trade shows, national conferences, and regional events will be attended by the dedicated Sourcewell/Haworth Program Manager (Tim Hodges) as well as Haworth field sales members and representatives of Haworth's extensive dealer network that service and support participating Sourcewell agencies. Working in close collaboration with your organization's marketing department, Haworth will begin developing co-branded marketing material within two weeks of contract award, with completion of all collateral marketing material within 90 days of award notification. Haworth has extensive experience in co-branding marketing materials for Sourcewell's participating agencies. Given the potential sales associated with your organization, these co-branded materials will be a high priority to complete and distribute. Our marketing and implementation plan for Sourcewell would be multifaceted, with emphasis on easy accessibility to information and tools and consistently quick responses. We want you to be assured you and your members have the information you need whenever you need it. Other Haworth marketing actions upon award will include: • Within 30 days of contract award, Haworth will list Sourcewell's information on its website to include a complete list of contact information for dealers and key Haworth representatives. • Haworth, and dealers throughout the country, will initiate contact and call on procurement officers, if applicable, and public agencies in each participating region and promote the use of the contract. Marketing pieces will be created to promote the partnership of Haworth + Sourcewell + local dealers in order to illustrate value-add to potential participating agencies. • Information about Haworth Value Added services will also be available to all Sourcewell agencies. Haworth offers a range of services, from helping customers establish direction to developing high performance solutions. We employ workplace strategists, design consultants, and researchers to help customers reach their objectives. We also offer a variety of diagnostic proprietary tools and services which use a Science + Design methodology to help customers identify needs and set goals to drive desired levels of organizational effectiveness. • Haworth uses various forms of social medial and marketing outreach to potential clients, and this contract would become part of the messaging that would be promoted to the appropriate audiences. • Individual sales people will use the contract within their regions to help support target and existing clients in the public sector. Please see [Haworth_Table_7_Marketing Plan_Examples zip folder] for five examples of marketing pieces created to support Higher Education and Government business development.	*
37	Describe your use of technology and digital data (e.g., social media, metadata usage) to enhance marketing effectiveness.	Haworth uses a variety of technology platforms to enhance our marketing effectiveness. Haworth's corporate marketing team uses a breadth of technology tools to ensure we reach as many existing and target clients to promote our ability to solve workplace solutions. Currently, our marketing outreach technology includes the following: Facebook, Twitter (X), Instagram, TikTok, LinkedIn, Threads, YouTube, Pinterest, Google MyBusiness, and Glassdoor. Haworth has a dedicated Inside Sales team who supports our efforts to find and qualify new business opportunities. This team utilizes applications of Salesloft (Marketing/Email Software), ZoomInfo (Contact/Company Database), and Eventbuilder (Event Software) to further promote New Business Development and to increase business.	*

38	In your view, what is Sourcewell's role in promoting contracts arising out of this RFP? How will you integrate a Sourcewell-awarded contract into your sales process?	Sourcewell's Role: Sourcewell's role in promoting this contract is working with Haworth's Sourcewell program manager to develop mutually agreeable marketing programs. These programs will promote the value and benefits of the Sourcewell contract along with Haworth's outstanding products and aggressive discounting structure. Haworth will integrate this contract with U.S. and Canadian dealers by educating them about the value and benefits to their potential Sourcewell customers. The Haworth sales force will undergo training on this program with their respective dealers during multiple training sessions. Haworth's Role: Haworth has a dedicated Sales and Marketing Program Manager - Tim Hodges. He will serve as the internal advocate for this contract for North America and Canada. He will diligently promote the contract through training dealers, collaborating on the development of new and revised marketing collateral, and keeping in constant communication with the rest of the team. Specific to Minnesota, Courtney Griggs (Territory Sales Manager) will work directly with Fluid Interiors (the Haworth dealer in Minneapolis, MN) to immediately promote and access the contract within participating entities. Lessons learned from Minnesota would be shared to the North American and Canadian sales forces and dealer networks. Upon award, Tim will schedule a conference call between Sourcewell and the Haworth core team. This will begin the process of establishing a strong and ongoing relationship. In addition to facilitating general discussion, he will review expectations and introduce any other Haworth regional team members who will help service the account. He will also provide an overview of dealers in all states, noting any who hold Preferred or Best-in-Class status. This initial step will ensure all agency procurement officers have the information needed to make an informed decision about selecting a dealership to work with prior to the start of any project. Tim will schedule visits to Sourcewell annually, or as requested, to assess satisfaction level and to keep them informed of any changes in dealerships, new product offerings, or other updates. Within the first 30 days of the contract, Tim will also meet with Haworth Regional Dealer Managers (RDMs) throughout the country to create an orientation program for participating dealerships. RDMs oversee all dealer activity, and keep dealers updated on new product, processes, and major projects. The orientation will involve a thorough overview of Haworth's Sourcewell contract, including the breadth of approved product, contract terms and conditions, assigning a dealer point of contact, and service level agreements. This will ensure that all Sourcewell members have a consistent experience when ordering Haworth product, regardless of their location and which dealer services their accounts. Because Sourcewell is located in Minnesota, there will be strong engagement with Haworth's Best in Class Dealer, Fluid Interiors. Fluid does a significant volume of work with Higher Education, City/State/Local Government, and Non-Profit Agencies throughout the Twin Cities Metro, St. Cloud, Rochester as well as rural Minnesota markets - supporting the entire sate of Minnesota. Fluid would provide local marketing support of the contract to existing and potential participating entities.	*

39	Are your products or services available through an e-procurement ordering process? If so, describe your e-procurement system and how governmental and educational customers have used it.	Haworth and our dealer partners have been the industry leader in providing digital tools in support of our customers. For our government/education customers that have an interest in supporting the purchase of products for remote workers, there are two core baseline solutions that help drive our collaborative approach. The most common solution implemented by government and education clients is through a Work From Home program that is supported by our Haworth Online Store, where we offer exclusive pricing via a company discount code. Alternately, we have an eCommerce Engine that is designed to support 100% of your spend and can be fully integrated with your e-procurement solution or other requisition system. Haworth Online Store Many customers use the Haworth Online Store to help facilitate work from home programs which serves as a stand alone site, and is not connected to an e-procurement system. Once the site is set up for the participating agency, employees gain access to exclusive pricing by entering their company discount code at checkout. The store link can be shared with employees via company intranet, email, or other communication channels. Employees create their own account once granted access to the company site and can make purchases directly using their own (or company) credit card. Benefits to the program include the following: •Get Products Quickly – core Haworth products ship within 3 business days, made to order options also available with additional colors & options •Ergonomic Products – employees can have the same great ergonomic products in their homes that they have in the office •Product Selection For The Home – finishes and options available work well in residential settings •Discounts Beyond Retail – provides the lowest everyday price on a wide variety of products •Free & Easy Shipping – products ship directly to employee's homes with free shipping eCommerce Engine Remote work programs, by nature, often deliver to homes and/or apartment buildings with unique delivery requirements. As such, we have an ability to create catalogs for those products that send a shopper's cart to our local authorized Haworth Dealer to have potential delivery and installation costs added. Once added, the cart goes back to the shopper for review and is then sent to your e-procurement system for approval and formalized requisition. For this option, we sit down with procurement, facilities, IT, your Haworth Sales lead and assigned dealer(s) to discuss topics like your POSR, which allow us to evaluate the best ways to architect a solution. Haworth also offers clients access to our proprietary eCommerce solution that provides a secure online portal to manage their Haworth furniture assets efficiently and cost effectively. These sites are structured according to your unique requirements to capture the information you find most relevant. It can be used to view furniture standards, plan spaces, initiate work order requests, procure products online, run customized business reports, and more. It also has potential to help realize cost savings through reducing cycle times and helping to achieve your spend management goals. Capabilities that customers may leverage include: • Commerce Engine – designed to support 100% of spend, and fully integrated with your eProcurement solution or other requisition system • Financial Integration - support for electronic invoicing, automated reconciliation, and payment. • Transaction reporting and order status capabilities - providing information transparency unmatched in the industry • Collaboration and communications resources – in support of your internal audiences The eCommerce site can also house a broad range of tools from product documentation and reference information to access to industry research, market trends, process documentation, contact information, service request support and training opportunities. Finally, Haworth offers the services of our eBusiness Consultant to help review the capabilities, establish project objectives, support team formation, and project facilitation to ensure you are getting the most from this resource and achieving your spend management goals.	*

Table 8: Value-Added Attributes

Line Item	Question	Response *	

40	Describe any product, equipment, maintenance, or operator training programs that you offer to Sourcewell participating entities. Include details, such as whether training is standard or optional, who provides training, and any costs that apply.	Instructions to properly use, adjust, maintain, and clean Haworth products to ensure correct and long-lasting use are delivered at project closeout. If requested, we will provide orientation training to your employees to address any specific questions or concerns. This training may be delivered through our dealer partner or through a sales representative, depending on the specifics of the request. Training on repair work is not offered, as all repairs must be performed by a dealer or certified installer to protect the product warranty. A repair order is initiated by reaching out to your local dealer to file a warranty claim. We also offer adjustment videos on our website for specific products including task seating, height adjustable tables, and ergonomic accessories. Most of these videos are available via QR code printed directly on the bottom of the product or otherwise available on Haworth.com.	*

41	Describe any technological advances that your proposed products or services offer.	Haworth revolutionized the contract furniture world by being the first to electrify workstation panels - an industry-changing innovation - and we have been transforming workplaces ever since. As an extension of Haworth's workplace research, we design new product innovations that support forward-thinking, efficient, and effective workspaces. Our most recent research into workplace well-being and supporting dynamic spaces has resulted in the development of the following products: Fern – an ergonomic task chair, is our most complete example of Haworth innovation in production today. With a goal of enhancing wellness in the workforce, we created a chair offering new levels of comfort and unsurpassed ability for individual ergonomic customization. Haworth collaborated with Western Michigan University on research that mapped out comfort with billions of data points and thousands of test subjects. From our findings, we developed a patented frond-like Wave Suspension System™ which promotes healthy back and pelvic alignment. Fern's ability to conform to the user's spine and accommodate back asymmetry reduces back discomfort as a user shifts position in the chair. Fern is an elegant chair that looks and works like no other and fully delivers on the promise of being the most comfortable task chair available. https://www.haworth.com/na/en/products/stools/fern.html Compose Echo - We designed Compose Echo based on our research into the benefits of user control in workplace happiness and well-being. This fully adjustable workstation provides height adjustability and the ability to move and re-orient the work surface. Based on many years of research and consultations with leading international design firms, Compose Echo is unique to the industry in its ability to provide complete user control for various collaborative and individual workstyle needs. https://www.haworth.com/na/en/search.html?q=compose+echo&listing=product-listing Pergola - Haworth creates highly adaptable product innovations to help our customers remain agile to future workplace changes. An example is Pergola, a new freestanding sub-architectural workspace that can be added to an existing floorplate to provide space for individual retreat or collaboration. As a kit-of-parts product, Pergola can be easily reconfigured as your requirements for new spaces change, without impacting the base building. https://www.haworth.com/na/en/search.html?q=pergola&listing=product-listing Zody II & Zody LX - Much of Haworth's research is around optimizing employee health and well-being, and our product innovations reflect this. Encouraging movement and posture change throughout the workday is an essential element of workplace health, and we designed the new Zody LX and Zody II to support these activities. Both chairs offer an industry-first dual posture feature for both seated and perching positions, providing ergonomic support and variety when using a sit-to-stand desk. https://www.haworth.com/na/en/products/stools/zody-lx.html? _br_psugg_q=zody+upholstered+office+chair Openest – a compelling line of privacy panels, seating poufs, sofas, and tables, designed in partnership with Patricia Urquiola. Paired together, individual elements create collaborative group spaces and individual work pods that are as beautiful as they are hard working. The panels in Openest utilize Haworth's innovation in material science and manufacturing development by blending the unique aesthetic with a structural, acoustic, stand-alone privacy panel that is completely fresh in the industry. http://www.haworth.com/products/workspaces/shared/openest Bluescape – our digital collaboration platform is designed to accelerate decision making by enabling anyone to create, communicate, visualize, organize, and strategize anything, anywhere, anytime. Bluescape is a global tool, accessible on multiple devices including large-scale, high-definition, multi-touch screens, as well as tablets, laptops, and mobile devices. From the thoughtful user interface to the highly visual file system to the virtual whiteboard, we made this a key tool for project teams in the workspace (physical and virtual). Multiple users located anywhere in the world can work simultaneously to create, edit, organize, display, and retrieve information in a way that is profoundly effective. Bluescape was created to accelerate business results by enhancing innovation, strategizing, solving problems, and sharing information in real time. It also speaks to our innovation ambition as a full workspace solutions company, not simply a furniture manufacturer. More information about Bluescape can be seen at http://www.haworth.com/products/technology/teamwork/Bluescape	*

42	Describe any “green” initiatives that relate to your company or to your products or services, and include a list of the certifying agency for each.	Sustainability has been a long-held company-wide value at Haworth, and we think beyond our business with a collective purpose to make the world better. As we strive to be a sustainable organization, Haworth empowers and engages its members in practices and processes that positively impact our global communities, economy, and environment. We utilize our resources in ways that create adaptable and sustainable workspace solutions for our customers, and we do this globally to protect and restore our environment, create economic value, and support and strengthen our communities. We are committed to constantly evaluating and improving our processes and our products throughout all phases of a product’s lifecycle. Our design-led approach creates products that support safe and healthy environments. Our products encompass Design for the Environment strategies, considering the environmental, social, and economic impact through alignment with leading certifications, waste-reducing processes, and material choices. Considerations for the use of safer materials continues to drive us to evaluate more sustainable solutions as alternatives become commercially available. Our packaging engineers and transportation teams collaborate to develop new environmentally friendly packaging methods that can be implemented without compromising the level of protection provided while in transit. The drive toward sustainable, healthier solutions also support clients in achieving their own sustainable goals. Haworth products contribute to a wide range of credits for customers seeking LEED or WELL Certification. More than 95% of our products are GREENGUARD Indoor Air Quality and/or BIFMA level certified for lower emissions. Most of our wood products are offered standard as FSC certified. With only a few exceptions, most Haworth product is manufactured locally for the market it serves - in the US for customers in North America, in Europe for European customers, and in Asia and India for the Asian Pacific market - resulting in lower fuel emissions. We help support the communities in which we do business. We continue to support the 10 principles of the UN Global Compact with respect to Human Rights, Labor Rights, Anti-Corruption, and Environmental Protections. We actively engage with the communities where we live and work, supporting them through volunteerism and charitable giving, as well as offering economic growth and stability with jobs, internships, and educational opportunities. In-depth information regarding our strategy, long-term initiatives, and examples of social and environmental stewardship can be found in Haworth’s Corporate Responsibility Report, available on our website at https://www.haworth.com/na/en/expertise/sustainability.html. Please see document [Haworth_Table_8_Corporate Social Responsibility Report] for complete description of sustainability efforts.	*

43	Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in your Proposal related to energy efficiency or conservation, life-cycle design (cradle-to-cradle), or other green/sustainability factors.	Haworth's Quality Assurance program has been in place for more than 25 years and is constantly being evaluated and updated as our organization evolves. Our Quality team benchmarks and partners with third-party organizations to ensure our efforts surpass world-class quality objectives. Haworth-owned manufacturing facilities in North America have been continuously certified ISO 9001 and ISO 14001 since 1998 (globally since 2010) and were last renewed in 2021. The following global certifications, standards, and accreditations are applicable to Haworth-owned manufacturing facilities globally: ISO 9001 ISO 14001 ISO 27002 ISO 45001 (in Germany, Switzerland, and China) A2LA Intertek Satellite Certified Lab Zero Production Waste to Landfill Haworth products are designed for the environment, tested to meet or exceed all relevant industry standards (ANSI BIFMA, UL/C-UL, ADA, Flammability, USEPA, ETV, ASTM, GREENGUARD), and are covered by industry leading warranties. Our products are composed of high-recycled content, have high recyclability at end of life, and more than 95% of our products are GREENGUARD Indoor Air Quality and/or BIFMA level certified for lower emissions. Most of our wood products are offered as FSC certified. Haworth's product statements which highlight product performance and climate impact (including global warming potential, acidification potential, and eutrophication potential) are available on Product Environmental Data Sheets and available on request. Note: Haworth has replaced MBDC Cradle to Cradle with the BIFMA level™ certification, specifically BIFMA e-3-2008 Furniture Sustainability Standard certification. BIFMA level 3 is an industry accepted product certification that is third party verified. The certification requires Haworth to review chemistry, life cycle assessment, product recycling at end of life, and many other items that are similar if not the same as what Cradle to Cradle requires. As a sustainable corporation, Haworth is committed to the ongoing evaluation of processes and practices that will help us understand, reduce, and eliminate the negative environmental impacts of products and workspaces while supporting business models that promote employee wellbeing. Ongoing initiatives include: • Increasing renewable energy • Further reductions in water, waste, and energy usage • Chemical and material declaration • Banned chemical elimination • 100% Sustainable Wood Sourcing goal • 100% Signed Code of Conduct goal We produce 133 low-emitting product lines. Since 2005, through our Environmental Management System (EMS) we have reduced our VOC emissions by 93%, GHG emissions by 20%, and energy use by almost 30%. More than 95% of our products are air quality certified (GREENGUARD).	*

44	Describe any quality management and environmental system certifications attained by your organization (LEED, Greenguard Indoor Air Quality, ANSI, BIFMA or others).	All Haworth owned manufacturing facilities are Certified to ISO 14001 and maintain Zero Waste to Landfill status. Haworth is also a member of the US Green Building Council, and several showrooms, including our global Headquarters, are LEED certified. Environmental product certifications in North America include: BIFMA LEVEL 2; BIFMA LEVEL 3; GREENGUARD; GREENGUARD Gold; Declare; and Cradle to Cradle Bronze. Haworth products are designed for the environment, are covered by industry-leading warranties, and are tested to meet or exceed a variety of industry standards including but not limited to: ANSI BIFMA BIFMA level® UL/C-UL USEPA A2LA FSC certified wood ETV ASTM NFPA ISO GREENGUARD GREENGUARD Gold ICC IBC CGSB SCS Indoor Advantage (Europe only) GECA China Type I Environmental Label LEED Haworth is committed to doing our part with material choices, adhesives, paints, and procedures maintaining the standards set forth by the US Green Building Council when obtaining LEED Silver to LEED Platinum certifications. Our products contribute to a wide range of LEED credits to help our clients achieve all levels of certification. Most Haworth products are GREENGUARD Indoor Air Quality and/or BIFMA level certified as low-emitting furniture. They are comprised of pre- and post-consumer content, are designed with recyclability at end of life in mind, are manufactured in the United States, and are free of harmful chemicals. Our products are designed to work together within and across products lines to create a more sustainable, adaptable, and economical workplace, and have helped clients achieve first-ever innovation and design credits. Haworth panel systems products can also contribute to daylight and views LEED credits. Proper documentation for each LEED credit can be easily and quickly obtained through any Haworth sales contacts. To date, Haworth has helped clients with LEED credit documentation on hundreds of projects. WELL Building Standard The WELL Building Standard takes a holistic approach to health in the built environment, addressing behavior, operations, and design. Our approach to well-being aligns those criteria with our values, product strategies, and our point of view in designing spaces to provide optimal environments where both members and visitors can thrive. We have learned a great deal about incorporating additional environmental systems to enhance air and water quality, complementing our commitment to optimal work environments through such as to natural daylight. Our Los Angeles showroom was one of the venues for piloting an application of the WELL® Building Standard, a performance-focused system for measuring, certifying, and monitoring features of the built environment to promote the health and wellness for people. The pilot provided a learning experience that put well-being at the core of good design, which takes into consideration all aspects of an optimal environment including physical, cognitive, and emotional elements. Going forward, we remain committed to implementing well building standards as part of our strategy for space design that benefits both our members and our customers. With the advent of the first wellness-based building standard, pioneered by DELOS®, Haworth was eager to implement the WELL Building Standard both in our products and showrooms globally. Haworth had the first WELL Certified project in China, as well as the first WELL certified office furniture showroom in the United States. BIFMA Haworth has replaced MBDC Cradle to Cradle with the BIFMA level™ certification, specifically BIFMA e-3-2008 Furniture Sustainability Standard certification. BIFMA level 3 is an industry accepted product certification that is third party verified. The certification requires Haworth to review chemistry, life cycle assessment, product recycling at end of life, and many other items that are similar if not the same as what cradle to cradle requires.

45	Describe any Women or Minority Business Entity (WMBE), Small Business Entity (SBE), or veteran owned business certifications that your company or hub partners have obtained. Upload documentation of certification (as applicable) in the document upload section of your response.	While Haworth is neither a small business nor minority-owned, we have programs in place to foster and implement supplier diversity. We sell and distribute our product through a robust network of certified dealers, most of which are small businesses, and include MWVBE classifications including MBE, WBE, VBE, and SDVOSB. In addition, Haworth is proud to have received the 2020/2021 Gold Level Employer Certification in the Veteran-Friendly Employer Program sponsored by the Michigan Veteran Affairs Agency (MVAA). This honor places Haworth in the top 8 percent of the 401 employers and organizations to receive gold certification and signifies Haworth has some of the best jobs for veterans in Michigan. Haworth hosts and participates in activities and programs, including sponsorship of a Veteran Member Resource Group (VMRG). VMRG fosters community while providing support for Haworth service members and veterans, as well as their families. We are committed to identifying, developing, and working with diverse dealerships to help our clients meet their diverse spend objectives. Please see attached document [Haworth_Table_8_Haworth Dealer Listing] for full list of Haworth's North American Dealer certifications. Through our manufacturing organization, Haworth engages with many business for the procurement of raw materials to produce the finished product that is sold to customers. Please see document [Haworth_Table_8_Supplier Diversity Program] for information on our goals to broaden our collaboration with a diverse supply chain.	*
46	What unique attributes does your company, your products, or your services offer to Sourcewell participating entities? What makes your proposed solutions unique in your industry as it applies to Sourcewell participating entities?	Haworth is the market leader in building strategic long-term partnerships with our clients. We support teamwork using a partnership model that results in better understanding of their organizational needs, culture, and goals. Along with our dealers, we work collaboratively with clients to identify best possible product solutions and layouts and ways to utilize space more efficiently. We actively develop tools and processes to encourage long-term bonds with our major customers, many of whom have been customers for 10 years or longer. For complex projects, we have utilized Value-Stream Mapping which brings key team members together to sequentially map out each step, resulting in increased efficiency and the elimination of redundancies. Related drivers that help sustain these relationships include: • Communicating and documenting value-added solutions • Maintaining focus on clients' evolving needs • Addressing improvement opportunities in an open, collaborative manner There are three key aspects that set us apart from our competitors. The first is Organic Workspace®, our process for creating inspiring spaces and our perspective of workplace design. Organic Workspace enhances the effectiveness of people and the efficiency of real estate. A key component of this is our design point of view, what we refer to as Performance + Desire, which encompasses elements of empathy, beauty, simplicity, performance, balance, and craft. This viewpoint led to the development of Haworth's Integrated Palette™ and a holistic portfolio of products (including systems, storage, tables, desking, and walls) that helps customers embrace change. Many of our product lines are designed to integrate not only on fabrics and finishes, but also on other factors (such as interconnectivity and scale), so that no matter how many times product is reconfigured, reused, or moved, the workspace will maintain a clean and cohesive appearance. Pieces can be moved, swapped, and rearranged, providing customers with the assurance that the design they create for today has the flexibility to change for future needs and evolving workstyles with minimal cost and effort. Products that are easily reused, rewired, and repurposed not only ease space reconfigurations by broadened application possibilities, but also retain their value, ultimately resulting in more sustainable spaces. We are also the most global company in our industry. We manufacture product in the communities we serve, providing us with the ability to absorb knowledge, design acumen, and cultural diversity throughout a broad geographic range, which ultimately leads to even greater ability to serve our customers. We serve markets in more than 150 countries and employ more than 8000 people, nearly half of whom live outside of the United States. We operate 17 wholly owned manufacturing facilities in eight countries throughout North America, Asia, and Europe, and are the only global company whose owned manufacturing facilities are all Zero Production Waste to Landfill and ISO-certified, enabling greater control over quality. Finally, among the major manufacturers in the contract furniture industry, only Haworth is still privately owned. This autonomy frees us from the constraints of a corporate board and makes us accountable only to our customers and employees. Our customers benefit by our ability to implement rapid change if needed or flex our workforce according to customer demand. We also have greater capacity to make long-term investments to find new ways to solve for the needs of customers – now and in the future.	*

Table 9: Warranty

Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may upload representative samples of your warranty materials (if applicable) in the document upload section of your response in addition to responding to the questions below.

Line Item	Question	Response *	
47	Do your warranties cover all products, parts, and labor?	All warranty parts and labor are provided at no charge to the customer, for as long as the product is covered under the warranty period. We take warranty correction seriously, and along with our dealers, work diligently to ensure client concerns are addressed immediately. As your first point of contact, your dealer will investigate issues as soon as they are raised – either on site, by phone, or email – depending on circumstances, and either repair the issue or place an expedited order for replacement parts or product. Orders are monitored and tracked until the warranty issue is fully resolved. Haworth also maintains a robust team of 15 full-time, North America-based, Field Technical Representatives, who investigate quality issues on-site and ensure warranty claims are processed quickly in. All warranty claims are tracked through a process that allows us to closely monitor issues. Should a systemic product issue be identified, it is swiftly corrected (through processes that may involve re-engineering or other design modification and re-testing), enabling Haworth to keep warranty claims to a minimum. Haworth offers Limited Lifetime Warranty coverage including parts and labor on most systems, storage, and worksurfaces. Our full North American warranty, included in our response [Haworth_Table_9_Warranty], includes detailed information regarding warranty coverage on all Haworth products and components.	*
48	Do your warranties impose usage restrictions or other limitations that adversely affect coverage?	In North America, Haworth offers Limited Lifetime Warranty coverage, including parts and labor, on most of our products. A product covered by the Lifetime warranty begins on the date of manufacture and continues for as long as the end-user purchaser continues to solely own, posses, and use the covered product. Our North American seating warranty is 12 years with around the clock usage, 365 days each year for users up to 325 lbs. Wood products are also warrantied for 12 years. For full details on all products and components, please see Haworth's complete warranty statement. Haworth recognizes that many of our customers don't close their doors at 5 pm, and that the same furniture may be used by many people throughout the week and weekends. To accommodate their needs, Haworth's warranty provides coverage for use around the clock, seven days a week, 52 weeks a year.	*
49	Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?	Our North American limited warranty covers shipping and installation of parts to repair the product as well as travel time and mileage to perform all necessary labor for the warranty claim.	*

50	Are there any geographic regions of the United States or Canada (as applicable) for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell participating entities in these regions be provided service for warranty repair?	All regions where product is sold are covered under warranty including service to repair the warranty. Haworth and its dealer partners take warranty correction seriously and we are committed to resolving issues to our clients' complete satisfaction. All warranty claims are tracked through a Field Problem Report process, which allows our field technicians to closely monitor issues. Should a systemic product issue be identified, it is swiftly corrected, enabling Haworth to keep warranty claims to a minimum. Our dealers manage all long-term warranty and service requests with support from Haworth. When a product issue, warranty need, or other service request is communicated, your designated point of contact will begin the process of resolution. Dealers will commit to responding to all service calls within 48 business hours of receiving the request. Often, a diagnosis can be made via phone call or email exchange, eliminating the need for a visit. If a site visit is required however, it will be scheduled as soon as possible at the customer's convenience. The steps involved in each scenario are outlined below: Warranty Process A: Diagnosis made via phone, email, or on-site dealer inspection • Discovery – customer contacts dealer Project Manager with notification of issue • Diagnosis – if immediate diagnosis can be made and service parts are in stock, dealer will schedule service work at customer's earliest convenience. If parts are not in stock, an order will be generated and expedited through Haworth customer service. • Repair or Replace – Service technician repairs or replaces product on-site as scheduled with customer. For warranty issues that require parts to be ordered, Dealer will advise customer on expected ship date and will schedule repair accordingly. Warranty Process B: Diagnosis cannot be made via phone, email, or on-site dealer inspection • Discovery - customer contacts dealer Project Manager with notification of issue • Site Visit – if immediate diagnosis cannot be made, dealer's service technician is scheduled to visit at a time convenient to customer • Diagnosis – if the service technician can make a diagnosis during visit, parts are immediately ordered, and customer is notified when they arrive. If a diagnosis cannot be made, the product is brought back to dealer for further review. • Repair or Replace – If issue can be corrected via repair, customer is notified when parts arrive, and product is repaired on-site at customer's earliest convenience. If product must be replaced, an order will be generated and expedited through Haworth's customer service team and delivered to customer upon receipt. In either scenario, any issue presenting a safety risk will be responded to immediately. If the product is not useable, a plan will be developed to provide temporary alternatives until a permanent solution is found. All warranty services will be performed by a manufacturer-certified service technician and executed in a manner that will cause the least amount of disruption within the space.	*
51	Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?	Haworth's warranty covers warranty service for products manufactured by Haworth. Any products manufactured by the extensive Haworth family of brand partners (as outlined in Table 1 of our response) would be serviced via the Haworth dealership network in partnership with the specific manufacturer.	*

52	What are your proposed exchange and return programs and policies?	As a just-in-time manufacturer, most Haworth products are built to order, and like other major competitors in the industry, does not have a published return policy. Although returns on a piece-by-piece basis are not permitted, any product with a defect will be either replaced or fully corrected to a client's complete satisfaction. Returns requested due to a customer error or reconsideration are not accepted, but in all cases, customer satisfaction is our primary goal. Haworth and its dealers will always work with your organization to find a mutually acceptable solution to any problem. Some examples of alternatives to returning product include: • Warehousing the product for redeployment on future projects • Providing a line item credit against the project to show the return and charge for the product on another project • Sourcing a wholesale partner who may be interested in purchasing the product • Sourcing a charity and facilitating e a charitable receipt in exchange for the product	*
53	Describe any service contract options for the items included in your proposal.	Extended warranties may be offered under some circumstances and are discussed as part of a contract negotiation process directly with the participating entity. Decisions to offer an extended warranty are based on a variety of factors, including overall project scope, product mix, location, and use. Upon award, we would be happy to discuss whether extended warranties would be a good option for specific projects.	*

Table 10: Payment Terms and Financing Options

Line Item	Question	Response *	
54	Describe your payment terms and accepted payment methods.	Standard terms are net 30 days from invoice date. Acceptable payment methods are cash and ACH. In addition, Haworth offers customers a choice of dealer bill, direct bill or both dealer and direct billing options. Our goal is to work with each customer and discuss the best billing options	*
55	Describe any leasing or financing options available for use by educational or governmental entities.	In partnership with PNC Vendor Finance, Haworth offers a competitive and flexible option for financing our product. Non-Haworth product and other costs can also be rolled into the financed amount at the standard HPS rate. Pre-established payment options include the following: -24 monthy payments at 0% (first and last payments due in advance) -36 monthly payments at 3% (no advance payment due) -48 monthly payments at 4% (no advance payment due) Please see document [Haworth_Table_10_Payment Solutions] for full program summary of the financing option we provide.	*
56	Describe any standard transaction documents that you propose to use in connection with an awarded contract (order forms, terms and conditions, service level agreements, etc.). Upload a sample of each (as applicable) in the document upload section of your response.	We have included standard transaction documents from Fluid Interiors (which is the Haworth dealer located in the State of MN). These are a representative sample of what would be expected for participating entities when they work with one of our dealers. Each dealer provides their own version of these documents. Any additional sample documents can be provided by request. See document [Haworth_Table_10_Fluid Transaction Documents] for example Purchase Order, Invoice, and Terms & Conditions Documents	*
57	Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell participating entities for using this process?	Haworth would accept a P-card procurement and payment process, which would be handled by our dealers in the local market supporting the project. No additional costs would be incurred by Sourcewell participating entities.	*

Table 11: Pricing and Delivery

Provide detailed pricing information in the questions that follow below. Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract as described in the RFP, the template Contract, and the Sourcewell Price and Product Change Request Form.

Line Item	Question	Response *	

58	Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, provide a SKU for each item in your proposal. Upload your pricing materials (if applicable) in the document upload section of your response.	The Haworth pricing model is based on a product category discount which applies to all product SKUs in the product line. Haworth is not providing individual SKUs for this RFP because this would result in hundreds of thousands of individual line items due to our extensive Sourcewell product offering. We have included a SIF file, which is used primarily in the furniture industry and is created from the bill of materials (BOM) and generally includes attributes specific to each product and all available configurations such as product numbers, product descriptions, list prices, manufacturer code, etc. See document [Haworth_Table_11_Detailed Pricing Sheet] for this representative example of individual product SKUs showing basic options products and their corresponding list price, discounts, and final net dollar amount. This would be the customer pricing methodology used for all products on a project.	*
59	Quantify the pricing discount represented by the pricing proposal in this response. For example, if the pricing in your response represents a percentage discount from MSRP or list, state the percentage or percentage range.	Haworth uses a "discount off list" from its commercial price list catalogs where each product line receives its own discount. Some product lines are also grouped with other product lines and receive the same discount. Haworth is providing a discount summary sheet for Sourcewell, which can be found as an attachment in the documents section [Haworth_Table_11_Product Summary Sheet]. The product summary sheet shows the proposed discounts off of list for each category starting with $1 purchase and indicates a negotiable tier to be used for larger volume projects.	*
60	Describe any quantity or volume discounts or rebate programs that you offer.	Haworth offers Sourcewell negotiable tier discounts. These discounts can be accessed by any Sourcewell customer when their total list dollar amount exceeds $150,000. Deeper discounts vary depending on total amount and product offering.	*
61	Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.	Haworth includes a broad variety of product lines to support client's needs across their floorplates. The RFP response includes only product manufactured by Haworth and affiliated brands (as outlined in Table 1 of our response). Any "open market" product that is manufactured by companies other than Haworth would be available for purchase through our dealers. The cost of the procurement of these products would be handled directly between the dealers and the Sourcewell participating entity.	*
62	Identify any element of the total cost of acquisition that is NOT included in the pricing submitted with your response. This includes all additional charges associated with a purchase that are not directly identified as freight or shipping charges. For example, list costs for items like pre-delivery inspection, installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.	The pricing provided in our pricing matrix includes the cost of the product and freight. All services related to the design, specification, project management, ordering, installation, post-installation, and warehousing of the product is handled by the dealers. The cost for these services would be communicated by the individual dealer in collaboration with the participating entity.	*
63	If freight, delivery, or shipping is an additional cost to the Sourcewell participating entity, describe in detail the complete freight, shipping, and delivery program.	Haworth has established agreements for transportation and delivery of Haworth product with national transportation suppliers. The volume shipped, and Haworth’s ability to provide products in full truckload quantities, puts Haworth in a position to negotiate the best possible price for shipments. To afford customers with a degree of cost certainty, transportation fees have been factored into Haworth prices, regardless of whether the shipment is a full truckload or less than truckload. It is not possible to break out freight charges on an individual shipment basis and charge variable transportation rates due to the variations in locations, distances, schedules, labor rates, and fluctuating fuel costs. As a result of these variations, freight charges are pre-paid by Haworth to all United States (including Alaska and Hawaii) destinations (CPT) and Canadian destinations (DDP).	*
64	Specifically describe freight, shipping, and delivery terms or programs available for Alaska, Hawaii, Canada, or any offshore delivery.	Haworth has established agreements for transportation and delivery of Haworth product with national transportation suppliers. The volume shipped, and Haworth’s ability to provide products in full truckload quantities, puts Haworth in a position to negotiate the best possible price for shipments. To afford customers with a degree of cost certainty, transportation fees have been factored into Haworth prices, regardless of whether the shipment is full truckload or less than truckload. It is not possible to break out freight charges on an individual shipment basis and charge variable transportation rates due to the variations in locations, distances, schedules, labor rates, and fluctuating fuel costs. As a result of these variations, freight charges are pre-paid by Haworth to all United States (including Alaska and Hawaii) destinations (CPT) and Canadian destinations (DDP).	*

65	Describe any unique distribution and/or delivery methods or options offered in your proposal.	Standard Delivery: Haworth products are sold and serviced through our robust network of 400 authorized and preferred dealers. More than 200 of these dealers are located throughout North America and provide service to every state and province. Product ships from Haworth's 360,000 sq. ft. Distribution Center at Haworth's headquarters in Holland, Michigan. Haworth is a Just-in-Time manufacturer, meaning all products are manufactured to customer orders. All of Haworth's Preferred dealers have access to warehouse spaces, either owned or contracted, and can provide warehouse services for customers across the country, if requested. The product can either go directly to a client's site or to one of our dealers' warehouses to be held until time of delivery on site. Determination of the method of delivery would be by the preferences of the end user. Haworth will discuss customer expectations well before the order is formally placed. As previously mentioned, adherence to on time complete deliveries is closely monitored via a measurement called Delivered on Time, Correct and Complete (DOTCC). DOTCC is the most visible internal customer measurement at Haworth as well as the most important goal. DOTCC tracks performance to shipping "on time and complete" and the subsequent delivery of each order. The ultimate goal is 100%. A DOTCC meeting is held daily with all plants to track expected individual order performance and identify any issues before shipment. Since Haworth is a just-in-time manufacturer, order processing is synchronized with manufacturing. Individual products are manufactured and labeled by order number and specific tagging instructions provided by the customer. Product cartons are bar-coded and scanned to ensure they are correct for that order. Additionally, Haworth focuses on shipping and delivering customer orders on time and complete. This area has one of the most visible measurement in the company. Haworth picking, packing, staging, and loading process are managed electronically (through scanning of bar-coded rack and carton labels). The final scan is at the mouth of a trailer as each carton is loaded for shipment. This scanning record is reconciled against the customer order and is the source data for the generation of shipping documents. As a result, the packing list for a shipment is guaranteed to match the product on that trailer and is fully reconciled to the product ordered by the customer. The following documents accompany the shipment: • Packing List • Circle Sheet (check-in sheet for the unloader) • Bill of Lading In addition, our Customer Service Coordinators provide exception-driven updates for each customer. Timing varies based on the stage of the order (pre-order, in process, shipped, etc.). We monitor every order until it is 100% complete. The fill rate requirement is 100% since we build everything to order (rather than the traditional forecasting and stocking that "fill rate" normally implies). Expedited Delivery: Haworth has established an in-stock program for many products including height adjustable tables and task seating. This program enables our dealers to service clients that have rapid turnaround time requests. See document [Haworth_Table_11_NOW Flyer for Education] for an example of this program.	*

Table 12: Pricing Offered

Line Item	The Pricing Offered in this Proposal is: *	Comments
66	c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.	

Table 13: Audit and Administrative Fee

Line Item	Question	Response *	
67	Specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell participating entities obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell. Provide sufficient detail to support your ability to report quarterly sales to Sourcewell as described in the Contract template.	Haworth has individuals within our contract management team who perform monthly audits on sales reports prior to creating final customer reports or payments. Our database employs contract holder number and partner number field links to ensure only customers properly linked get pulled into the reporting. The audit is to ensure that linked customers are using the correct contract holder number or partner number. If not properly linked, they become unlinked in our database and removed from the monthly report.	*
68	If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.	Haworth would use various metrics to measure success with the Sourcewell contract including the following: • Total annual spend • Total spend by state/public agency • Total spend by product category (systems, seating) • Total state spend by product category • Spend by product line (Compose, Soji) • Spend by product number (ABC-123) with or without fabric and finish selections • Order lead time • Review and management of terms and conditions • New product introductions and market trends • Dealer updates • Quality and/or corrections review	*
69	Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See the RFP and template Contract for additional details.)	Haworth is proposing paying Sourcewell a 3% administrative fee on total quarterly sales.	*

Table 14A: Depth and Breadth of Offered Equipment Products and Services

Line Item	Question	Response *	
70	Provide a detailed description of the equipment, products, and services that you are offering in your proposal.	Haworth's product offering for the Sourcewell contract is derived from our Organic Workspace approach to supplying product offerings to cover all needs on a project floorplate. Designed to embrace change, Organic Workspace helps you align space with strategy. It offers greater choice and flexibility, rather than a single rigid solution that attempts to anticipate every need ahead of time. A space capable of evolving along with your organization's strategy will help reduce the cost of realigning the workforce and space to support changing market dynamics. Haworth's breadth of product is wide and allows us to furnish virtually every area of our customers' facilities including outdoor areas. Our product portfolio includes seating, storage, desks and tables, systems, lighting, accessories, integrated technology, ancillary furniture, and modular walls. We offer thousands of product lines, each with numerous features and options, and in a variety of sizes and styles. A high level summary is provided below, but Haworth's full statement of line, including photographs, technical specifications, and pricing can be viewed on our website at www.Haworth.com/products. Product Categories include the following: • Seating • Workspaces • Lighting • Technology • Desks and Tables • Storage • Accessories • Architectural Interiors	*
71	Within this RFP category there may be subcategories of solutions. List subcategory titles that best describe your products and services.	Subcategories for the product offered in our response are included below: • Seating: Task and Executive Chairs, Visitor and Conference Chairs, Lounge (sofas, chairs, benches), Stacking Chairs, Stools, Acoustic Seating, Dining, Outdoor • Workspaces: Spine-based, Panel-based, Benching and Desking, Private Office, Shared and Booth • Lighting: Table, Floor, Pendant, Acoustic • Technology: Collaboration, Teamwork • Desks and Tables: Collaborative, Conference, Height Adjustable, Side and Occasional, Training, Dining, Outdoor • Storage: Files and Pedestals, Cabinets and Towers, Shelves, Bookcases, Recycling Products • Accessories: Rugs and Decor, Mobile Carts, Privacy Screens, Easels and Whiteboards, Monitor Arms, Electrical Components • Architectural Interiors: Moveable Walls, Architectural Panel Systems, Acoustic Solutions	*

Table 14B: Depth and Breadth of Offered Equipment Products and Services

Indicate below if the listed types or classes of equipment, products, and services are offered within your proposal. Provide additional comments in the text box provided, as necessary.

Line Item	Category or Type	Offered *	Comments	
72	Desks and workstations (stationary, sit-to-stand, control and dispatch consoles, charging stations)	(•) Yes ( ) No	N/A	*
73	Chairs	(•) Yes ( ) No	N/A	*
74	Tables	(•) Yes ( ) No	N/A	*
75	Modular and demountable walls	(•) Yes ( ) No	N/A	*
76	Cubicles	(•) Yes ( ) No	N/A	*
77	Patio or outdoor	(•) Yes ( ) No	N/A	*
78	Seating (benches, fixed stools, ottomans, integrated power systems)	(•) Yes ( ) No	N/A	*
79	Casegoods	(•) Yes ( ) No	N/A	*
80	Residential hall furnishings	(•) Yes ( ) No	Resident Lounge/Public Spaces: Yes Dorm Furniture (Beds, dressers, etc.): NO	*
81	Related services including rental, design, space planning, installation, assembly, safety inspection, repair, renovation, refurbishment, re-manufacture, retrofit or recycling services to the offering above; and	(•) Yes ( ) No	Provided by Haworth Dealers as needed	*
82	Proposers may also include related storage and technology integrated furniture solutions, ergonomic solutions and accessories, workspace systems and accessories to the extent that the offering is ancillary or complementary to an offering of Furniture Solutions as described in Lines 72-81 above.	(•) Yes ( ) No	Ergonomic tools, technology, technology-enabled lockers, collaboration tools, medical carts, medical lab products, mobile white boards, mobile monitor easels, trash/recycling storage	*

Table 15: Exceptions to Terms, Conditions, or Specifications Form

Line Item 83. **NOTICE**: To identify any exception, or to request any modification, to Sourcewell standard Contract terms, conditions, or specifications, a Proposer must submit the proposed exception(s) or requested modification(s) via redline in the Contract Template provided in the “Bid Documents” section. Proposer must upload the redline in the “Requested Exceptions” upload field. All exceptions and/or proposed modifications are subject to review and approval by Sourcewell and will not automatically be included in the Contract.

Do you have exceptions or modifications to propose?	Acknowledgement *
None at this time.	(•) Yes ( ) No

Documents

Ensure your submission document(s) conforms to the following:

1. Documents in PDF format are preferred. Documents in Word, Excel, or compatible formats may also be provided.

2. Documents should NOT have a security password, as Sourcewell may not be able to open the file. It is your sole responsibility to ensure that the uploaded document(s) are not either defective, corrupted or blank and that the documents can be opened and viewed by Sourcewell.

3. Sourcewell may reject any response where any document(s) cannot be opened and viewed by Sourcewell.

4. If you need to upload more than one (1) document for a single item, you should combine the documents into one zipped file. If the zipped file contains more than one (1) document, ensure each document is named, in relation to the submission format item responding to. For example, if responding to the Marketing Plan category save the document as “Marketing Plan.”

- Pricing - Haworth_Pricing.zip - Wednesday September 13, 2023 15:32:42
- Financial Strength and Stability - Haworth_Table_2_Financial Strength Letter.pdf - Monday September 11, 2023 15:29:11
- Marketing Plan/Samples - Haworth_Table_7_Marketing Plan_Examples.zip - Wednesday September 13, 2023 15:33:15
- WMBE/MBE/SBE or Related Certificates - Haworth_WMBE_MBE_SBE Certificates.zip - Wednesday September 13, 2023 15:34:42
- Warranty Information - Haworth_Table_9_Warranty.pdf - Wednesday September 13, 2023 15:34:56
- Standard Transaction Document Samples - Haworth_Standard Transaction Document Samples.zip - Wednesday September 13, 2023 15:36:49
- Requested Exceptions (optional)
- Upload Additional Document - Haworth_Additional Documents.zip - Wednesday September 13, 2023 15:37:33

Addenda, Terms and Conditions

PROPOSER AFFIDAVIT AND ASSURANCE OF COMPLIANCE

I certify that I am the authorized representative of the Proposer submitting the foregoing Proposal with the legal authority to bind the Proposer to this Affidavit and Assurance of Compliance:

1. The Proposer is submitting this Proposal under its full and complete legal name, and the Proposer legally exists in good standing in the jurisdiction of its residence.

2. The Proposer warrants that the information provided in this Proposal is true, correct, and reliable for purposes of evaluation for contract award.

3. The Proposer, including any person assisting with the creation of this Proposal, has arrived at this Proposal independently and the Proposal has been created without colluding with any other person, company, or parties that have or will submit a proposal under this solicitation; and the Proposal has in all respects been created fairly without any fraud or dishonesty. The Proposer has not directly or indirectly entered into any agreement or arrangement with any person or business in an effort to influence any part of this solicitation or operations of a resulting contract; and the Proposer has not taken any action in restraint of free trade or competitiveness in connection with this solicitation. Additionally, if Proposer has worked with a consultant on the Proposal, the consultant (an individual or a company) has not assisted any other entity that has submitted or will submit a proposal for this solicitation.

4. To the best of its knowledge and belief, and except as otherwise disclosed in the Proposal, there are no relevant facts or circumstances which could give rise to an organizational conflict of interest. An organizational conflict of interest exists when a vendor has an unfair competitive advantage or the vendor's objectivity in performing the contract is, or might be, impaired.

5. The contents of the Proposal have not been communicated by the Proposer or its employees or agents to any person not an employee or legally authorized agent of the Proposer and will not be communicated to any such persons prior to Due Date of this solicitation.

6. If awarded a contract, the Proposer will provide to Sourcewell Participating Entities the equipment, products, and services in accordance with the terms, conditions, and scope of a resulting contract.

7. The Proposer possesses, or will possess before delivering any equipment, products, or services, all applicable licenses or certifications necessary to deliver such equipment, products, or services under any resulting contract.

8. The Proposer agrees to deliver equipment, products, and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.

9. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.

10. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statutes Section 13.591, subdivision 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals become public data. Minnesota Statutes Section 13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.

11. Proposer its employees, agents, and subcontractors are not:
    1. Included on the "Specially Designated Nationals and Blocked Persons" list maintained by the Office of Foreign Assets Control of the United States Department of the Treasury found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf;

    2. Included on the government-wide exclusions lists in the United States System for Award Management found at: https://sam.gov/SAM/; or

    3. Presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from programs operated

by the State of Minnesota; the United States federal government or the Canadian government, as applicable; or any Participating Entity. Vendor certifies and warrants that neither it nor its principals have been convicted of a criminal offense related to the subject matter of this solicitation.

☑ By checking this box I acknowledge that I am bound by the terms of the Proposer's Affidavit, have the legal authority to submit this Proposal on behalf of the Proposer, and that this electronic acknowledgment has the same legal effect, validity, and enforceability as if I had hand signed the Proposal. This signature will not be denied such legal effect, validity, or enforceability solely because an electronic signature or electronic record was used in its formation. - Matt Corl, Business Resource Center Business Segments Manager, Haworth, Inc.

The Proposer declares that there is an actual or potential Conflict of Interest relating to the preparation of its submission, and/or the Proposer foresees an actual or potential Conflict of Interest in performing the contractual obligations contemplated in the bid.

○ **Yes** ◉ **No**

The Bidder acknowledges and agrees that the addendum/addenda below form part of the Bid Document.

Check the box in the column "**I have reviewed this addendum"** below to acknowledge each of the addenda.

File Name	I have reviewed the below addendum and attachments (if applicable)	Pages
Addendum_4_Furniture_Solutions _RFP_091423 Tue September 5 2023 03:34 PM	☑	2
Addendum_3_Furniture_Solutions _RFP_091423 Thu August 31 2023 12:47 PM	☑	5
Addendum_2_Furniture_Solutions _RFP_091423 Tue August 29 2023 02:17 PM	☑	2
Addendum_1_Furniture_Solutions _RFP_091423 Fri August 18 2023 11:06 AM	☑	2

Capital Improvement Plan

FY 2026-2027

Project Title:	New Animal Shelter	**Munis Project Code:**	GFCP-22004	#208
Section I: Description	**District Nos:**	**Project Length**		**Priority**
This is to design and construction a new animal shelter for the City.				
Justification/factor driving project				
The existing animal shelter is small and outdated.				
Additional Information				
The New Animal Shelter Design will cost $300,000 in FY 22 and $600,000 in FY 23. The New Animal Shelter Construction will cost $500,000 in FY 23, $4,000,000 in FY 24, and $4,000,000 in FY 25. Update: Council action 7/3/24, add $8,713,351				

Section II: Estimated Project Costs

Expenditure	Prior Years	FY 25/26 Estimate	FY 26/27 Budget	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	Future Yrs	Total
Contracts	$ 15,013,351	$ -	$ -	$ -	$ -	$ -	$ -	$ -		**$ 15,013,351**
Total Capital Costs	**$ 15,013,351**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 15,013,351**

Section III: Funding Sources/Methods of Financing

Funding Source(s)	Prior Years	FY 25/26 Estimate	FY 26/27 Budget	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	Future Yrs	Total
431 - Capital Outlay/General Fund	$ 15,013,351	$ -	$ -	$ -	$ -	$ -	$ -	$ -		**$ 15,013,351**
Total Project Financing	**$ 15,013,351**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 15,013,351**

RESOLUTION NO. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL APPROVING THE PURCHASE AND INSTALLATION OF OFFICE SYSTEMS FURNITURE FROM DURST CONTRACT INTERIOR, OF STOCKTON, TO FURNISH THE NEW ANIMAL SERVICES FACILITY IN THE AMOUNT OF $99,843.78

==========

WHEREAS, on June 20th, 2024, Council approved the agreements with Haggerty Construction, Inc. and Bickford Ventures for the build of the new Animal Services Facility; and

WHEREAS, previous Council Action has established Haworth Unigroup Furniture as the City's preferred office furniture manufacturer in order to maintain consistent designs at City facilities; and

WHEREAS, Durst Contract Interiors is the local Haworth representative and utilizes the Sourcewell Contract; and

WHEREAS, the Animal Shelter Facility is ready for the delivery and installation of office equipment; and

WHEREAS, Staff recommends authorizing the purchase and installation of office systems furniture from Durst Contract Interiors, in the amount of $99,843.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the purchase and installation of office systems furniture from Durst Contract Interiors, in the amount of $99,843.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing Interim City Manager to Execute Additional Change Orders to the White Slough Water Pollution Control Facility Electrical Building Associated Improvements Project ($700,000) and Appropriate Funds ($1,300,000) and Authorizing Electric Utility to Obtain Bids and Purchase Power Cable from Lowest Responsive Bidder ($400,000) (PW/EU)

MEETING DATE:
May 20, 2026

PREPARED BY:
Sean Nathan, Interim Public Works Director and Jeff Berkheimer, Electric Utility Director

RECOMMENDED ACTION:
Adopt a resolution authorizing the Interim City Manager to execute additional change orders to the White Slough Water Pollution Control Facility Electrical Building Associated Improvements Project ($700,000) and Appropriate Funds ($1,300,000) and authorizing the Electric Utility to obtain bids and purchase power cable from the lowest responsive bidder in an amount not-to-exceed $400,000.

BACKGROUND INFORMATION:
On April 19, 2023, the City Council awarded the White Slough Water Pollution Control Facility Electrical Building Project to C. Overra & Co. of Richmond, in the amount of $11,408,000. The project includes construction of a new electrical building and associated infrastructure to improve electrical reliability and support plant operations.

During construction, Public Works coordinated with Lodi Electric Utility (LEU) to redesign the electrical service to provide long-term reliable power to the new facility. This redesign includes the relocation of two (2) existing transformers and installation of eight (8) new secondary power cables and eight (8) new emergency power cables from the transformers to the new electrical switchgear, totaling approximately 1,100 linear feet. LEU has provided an estimate of $551,109 to complete this work. The requested appropriation is for $600,000 to provide contingency funds. Approximately $400,000 of power cable will need to be purchased by LEU.

In addition, several construction-related changes have been identified that are necessary to complete the project and ensure proper integration with existing facility systems. These changes are the result of unforeseen field conditions, existing facility constraints, and system integration requirements that were not fully identifiable during design.

The primary components of the additional work include:

- Installation of new service wiring from relocated transformers to the existing Administration Building switchgear to maintain continuity of operations. This change order is estimated to be $370,000.

- Modifications to Motor Control Center (MCC) wiring to accommodate existing equipment configurations

and operational requirements. This change order is estimated to be $70,000.

- Revisions to control wiring and conduit installation due to space limitations within existing conduit systems. This change order is estimated to be $10,000.
- Emergency repair of a failed underground air supply line necessary to maintain plant operations. This work is being performed on a time and material basis with an estimated cost of $100,000.
- Additional contingency to address conditions encountered during final integration of the new electrical building with existing plant systems - $150,000.

These changes require additional change order authority and project funding to complete the project as intended.

Staff has reviewed project costs and determined that the requested funds are necessary to complete the project and maintain reliable plant operations. The identified changes are consistent with conditions encountered during construction of complex infrastructure projects involving integration with existing facilities. Failure to approve the requested appropriation will result in delays to project completion and may impact plant operations due to incomplete electrical and control system integration.

FISCAL IMPACT:
The requested action will increase the project budget by $1,300,000 to support additional construction costs, utility coordination, and contingency required to complete the project. LEU power cable will be purchased as an inventory item and issued/charged to the respective project budget.

FUNDING AVAILABLE:
Appropriate Funds in Wastewater Operations and Wastewater Capital for transfer in and out. Appropriate Wastewater Capital Fund Expense in the amount of $1,300,000:

53199000.77020	Wastewater Capital (PWWS-0010.Contracts)	$	1,300,000
530.76050	Wastewater Operations	$	1,300,000
531.50050	Wastewater Capital	$	1,300,000

Power cable will be purchased by LEU through its inventory account 500.13496.

Capital Improvement Plan

FY 2025-26

Project Title:	WSWPCF Design Elec Bldg & I	Munis Project Code:	PWWS-0010	#85
Section I: Description	District Nos:	All	Project Length	Priority: High

Includes engineering and design of all elements of the South Electric Building (SEB) including the building structure, motor control centers, communications/security and switchgear systems, heating, ventilating and air conditions system, pad mount transformers, wire and conduit runs and general site improvements such as access, parking fencing underground utilities and area lighting.

Justification/factor driving project

The SEB was originally constructed in 1990. The existing building is located downwind of the headworks facility and has been subjected to poor air quality due to hydrogen sulfide gas exposure from the headworks. This has accelerated corrosion of the internal switchgear, conduit, wire, and other electrical components of the SEB.

Additional Information

Of the FY 19/20 $1,614,631 total, $114,631.36 is carried forward and the remaining $1,500,000 was a FY 20 budget adjustment per Resolution 2019-209.

Section II: Estimated Project Costs

Expenditure	Prior Years	FY 24/25 Estimate	FY 25/26 Budget	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Future Yrs	Total
Contracts	$ 5,028,735	$ 11,541,639	$ 1,300,000						$ 17,870,374
Internal Staff	$ 61,558	$ 34,667							$ 96,224
Miscellaneous	$ 140,818	$ 499,182							$ 640,000
Total Capital Costs	**$ 5,231,110**	**$ 12,075,488**	**$ 1,300,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 18,606,598**

Section III: Funding Sources/Methods of Financing

Funding Source(s)	Prior Years	FY 24/25 Estimate	FY 25/26 Budget	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Future Yrs	Total
531 - Wastewater Capital Outlay	$ 5,231,110	$ 12,075,488	$ 1,300,000						$ 18,606,598
Total Project Financing	**$ 5,231,110**	**$ 12,075,488**	**$ 1,300,000**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 18,606,598**

RESOLUTION NO. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE INTERIM CITY MANAGER TO EXECUTE ADDITIONAL CHANGE ORDERS TO THE WHITE SLOUGH WATER POLLUTION CONTROL FACILITY ELECTRICAL BUILDING ASSOCIATED IMPROVEMENTS PROJECT, APPROPRIATE FUNDS, AND AUTHORIZE LODI ELECTRIC UTILITY TO OBTAIN BIDS AND PURCHASE POWER CABLE FROM THE LOWEST RESPONSIVE BIDDER

==========

WHEREAS, the White Slough Water Pollution Control Facility Electrical Building Project requires additional work due to unforeseen field conditions, existing facility constraints, and system-integration needs; and

WHEREAS, the additional work includes new service wiring, MCC wiring modifications, conduit and control wiring revisions, emergency repair of a failed underground airline, and contingency for final system integration; and

WHERAS, Lodi Electric Utility (LEU) must also redesign electrical service and purchase power cable necessary to complete the project; and

WHEREAS, staff has reviewed project costs and determined the requested funds are necessary to complete the project and maintain reliable plant operations, and recommends that the City Council authorize the Interim City Manager to execute additional change orders in the amount of $700,000, appropriate $1,300,000, and authorize LEU to obtain bids and purchase power cable from the lowest responsive bidder in an amount not-to-exceed $400,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Interim City Manager to execute additional change orders in the amount of $700,000, authorize Lodi Electric Utility to obtain bids and purchase power cable from the lowest responsive bidder in an amount not-to-exceed $400,000, and appropriate funds:

53199000.77020	Wastewater Capital (PWWS-0010.Contracts)	$	1,300,000
530.76050	Wastewater Operations	$	1,300,000
531.50050	Wastewater Capital	$	1,300,000

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Adopt a Resolution Authorizing Interim City Manager to Execute 3-Year Professional Services Agreement with Websoft Developers, Inc., of Davis, for Public Works Asset Management Software ($233,697) (PW)

MEETING DATE:
May 20, 2026

PREPARED BY:
Interim Public Works Director

RECOMMENDED ACTION:
Adopt a resolution authorizing Interim City Manager to execute a 3-year Professional Services Agreement with Websoft Developers, Inc. of Davis for asset management software in the amount of $233,697.

BACKGROUND INFORMATION:
The Public Works' Municipal Utilities Services has used a Computer Maintenance Management System (CMMS) since 2016. CMMS programs are used to schedule reoccurring preventative maintenance, respond to customers through work orders, manage labor, and track costs. In 2023, the department went through a competitive selection process and Council awarded a three-year contract to Websoft Developers (Websoft) for its MobileMMS (CMMS) program.

MobileMMS is currently utilized by multiple divisions including Water, Wastewater, Streets and Facilities. In addition to the standard CMMS functions listed above, MobileMMS is used by staff for utility mapping (integrated with ArcGIS), Underground Service Alerts positive response, managing Cross-connection Control Program and conducting commercial and industrial wastewater inspections. Over the past three years, staff has become highly proficient and reliant on the MobileMMS program as Websoft's performance and quality of service has remained consistent.

The new contract will include $19,000 in implementation costs for the White Slough Wastewater Treatment Facility and Surface Water Treatment Facility. Both facilities use a different preventative maintenance program, and, for continuity purposes, staff would like to replace the current CMMS with MobileMMS. In addition to the one-time implementation fee, the subscription costs would be paid annually over the three-year term with a 7.5% uplift in years 2 and 3.

The City's Purchasing Policy allows computer software services to be awarded on the basis of professional qualifications and experience, quality of service, past performance and negotiated prices (Purchasing System 3.20.075).

Staff recommends authorizing Interim City Manager to execute a Professional Services Agreement with Websoft Developers Inc., of Davis, in the amount of $233,697.

FISCAL IMPACT:

The cost of the asset management program is budgeted in Water and Wastewater Operations Funds. Based on the current fee structure there is no cost to the general fund.

FUNDING AVAILABLE:

Water Operations (56052001.72313)

FY 26/27	$42,810
FY 27/28	$35,725
FY 28/29	$38,314

Wastewater Operations (53053001.72313)

FY 26/27	$42,810
FY 27/28	$35,725
FY 28/29	$38,313

TOTAL: $233,697

AGREEMENT FOR PROFESSIONAL SERVICES

ARTICLE 1
PARTIES AND PURPOSE

Section 1.1 Parties

THIS AGREEMENT is entered into on _____, 2026, by and between the CITY OF LODI, a municipal corporation (hereinafter "CITY"), and WEBSOFT DEVELOPERS INC. a California corporation (hereinafter "CONTRACTOR").

Section 1.2 Purpose

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

CITY wishes to enter into an agreement with CONTRACTOR for Mobile MMS Subscription (hereinafter "Project") as set forth in the Scope of Services attached 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, 2026 and terminates upon the completion of the Scope of Services or on July 31, 2029, 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 extension; 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 five (5) year(s).

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 subcontractor 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: Andrew Richle

To CONTRACTOR:
Websoft Developers, Inc.
2020 Research Park Drive STE 140
Davis, CA 95618-6150
Attn. Sean Dingman

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.

Section 4.22 Counterparts and Electronic Signatures

This Agreement and other documents to be delivered pursuant to this Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy and all of which, when taken together, will be deemed to constitute one and the same agreement or document, and will be effective when counterparts have been signed by each of the parties and delivered to the other parties. Each party agrees that the electronic signatures, whether digital or encrypted, of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Delivery of a copy of this Agreement or any other document contemplated hereby, bearing an original manual or electronic signature by facsimile transmission (including a facsimile delivered via the Internet), by electronic mail in "portable document format" (".pdf") or similar format intended to preserve the original graphic and pictorial appearance of a document, or through the use of electronic signature software will have the same effect as physical delivery of the paper document bearing an original signature.

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IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement as of the date first above written.

ATTEST:

OLIVIA NASHED
City Clerk

CITY OF LODI, a municipal corporation

AARON M. BUSCH
Interim City Manager

APPROVED AS TO FORM:

~~KATIE O. LUCCHESI~~ John M. Luebberke
Interim City Attorney

WEBSOFT DEVELOPERS INC.
a California corporation

By: _____
Name: Manoj Desai
Title: President

Attachments:
Exhibit A/B – Scope of Services & Fee Proposal
Exhibit C – Insurance Requirements
Exhibit – Federal Transit Funding Conditions (if applicable)

Funding Source: _____
(Business Unit & Account No.)

Doc ID:\\PWADC02\msc$\GROUP\ADMIN\Council\2026\05-20-26\Websoft Developers, Inc

CA: Rev.03.2026-VS (CA Formatted)

Exhibit A/B

Order Form: Q-50862-1
Creation Date: 3/19/2026, 2:48 PM
Expires On: 5/3/2026

Phone: (866) 777-0069
Email: info@sprbrk.com

Ship To:
Andrew Richle
Lodi, CA
221 W Pine Street
Lodi, California 95240
arichle@lodi.gov

Bill To:
Andrew Richle
Lodi, CA
221 W Pine Street P.O. Box 3006
Lodi, California 95240
arichle@lodi.gov

Account Manager	E-mail	Phone Number	Payment Terms
Sean Dingman	sean.dingman@websoftdev.com	(916) 501-1590	Net 30

Annual Product Pricing

PRODUCT	RATE	QTY	DISC (%)	NET PRICE
MobileMMS Subscription	USD 66,619.00	1	0.000	USD 66,619.00
			Annual Product Pricing Total:	USD 66,619.00

Fixed Fee Professional Services

PRODUCT	RATE	QTY	DISC %	NET PRICE
Fixed Fee Professional Services	USD 19,000.00	1	0.000	USD 19,000.00
			Fixed Fee Professional Services Total:	USD 19,000.00

Grand Total: USD 85,619.00
* excludes applicable sales tax

Order Details

Customer Name:	Lodi, CA
Customer Contact:	Andrew Richle
Governing Agreement(s):	This Order Form is governed by the applicable terms found at: MSA: https://sprbrk.app.box.com/v/websoft-saas-terms Professional Services: https://sprbrk.app.box.com/v/websoft-svcs-terms
Term(s):	3 Years

Order Terms

In the event of an inconsistency between this Order Form, any governing agreement, purchase order, or invoice, the Order Form shall govern as it pertains to this transaction.

- This Order Form shall become effective as of the last date of signature (the "Effective Date").
- Order Start Date: Software Licenses, Subscriptions, Maintenance, and Hosting commence upon the earlier of a) date of delivery* or log-in to hosted software to Customer; or b) 60 days after Order Form Effective Date.
- Subscriptions, Maintenance, Hosting, and Support ("Recurring Services") continue from the Order Start Date through the term listed in this Order Form (or if not listed, one (1) year).
- Orders for Recurring Services auto-renew for three (3) years or for the term specified in this Order Form, unless the Customer or Springbrook provides a written notice of non-renewal at least sixty (60) days prior to the expiration of the current Order Term.
- Subscription Service fees and any Recurring Services will be subject to an automatic annual increase by not more than seven and a quarter percent (7.25%) of the prior year's Subscription Service fees ("Standard Annual Price Increase").
- Any Software Licenses or Hardware are one-time non-refundable purchases.

** The date of delivery of software to the Customer is the date the software is made available to the Customer, either by delivery of software or delivery of first log-in to a hosted environment, which may be either a test or production environment. This date of delivery is frequently earlier than the dates professional services are completed, the Customer completes user acceptance testing, the Customer distributes additional logins to end-users, and the Customer go-live in a production environment.*

Invoice Timing and Delivery

Invoices are delivered electronically via e-mail to the billing contact on file for the Customer. Customer invoices are issued for the full amount of software and services purchased as follows:

Products Ordered	Invoice Timing
Software Licenses, Subscriptions, Maintenance, and Hosting (New):	Annually in advance upon Order Start Date.
Software Subscriptions, Maintenance, and Hosting (Add-Ons):	Upon the order start date, order will be pro-rated to sync with the existing anniversary billing date and will renew annually thereafter.
Software Subscriptions (Migrations):	Upon the order start date, order will be synced with the existing anniversary billing date and will renew annually thereafter unless specified in the Special Order Terms. This order replaces and supersedes any previously executed order as it relates to the products listed within this order. Upon delivery of new product, customer will receive a prorated credit for any prepaid, unused maintenance fees that will be applied to the customer's first invoice.
Software Licenses, Subscriptions, Maintenance, and Hosting (Renewal):	Sixty (60) days in advance of the Order Start Date.
Print Services and Transaction Fees:	Monthly, in arrears for transactions in the prior month.
Hardware and One-Time Licenses:	Upon the Effective Date of this Order Form.
Estimated Time and Material Professional Services, On- Site Professional Services, and Travel Expenses*:	Monthly, in arrears for services in the prior month unless specified in Special Term.
Implementation Fixed Fee Professional Services:	The Effective Date of this Order Form unless specified in Special Terms.

Professional Service Key Terms and Conditions:

- **Time and Material Pricing:** Professional Services time and material pricing is based on expected hours using Springbrook's standard implementation approach. While our goal is to provide accurate hour estimates, there may be variations in actual hours and charges. If project costs surpass the estimated hours within this order form by the greater of $15,000 or 20%, a signed change order is necessary to proceed. Adjustments below this threshold will be implemented and invoiced as incurred.

- ***On-Site Professional Services:** On-Site professional services are billed at a daily minimum rate, regardless of time spent on-site. Travel expenses related to on-site travel will be invoiced as a separate line item as they are incurred.

- **Cancellation or Postponement:** Customer agrees to participate in all scheduled meetings and minimize repeated cancellations. Customer shall provide no less than two (2) business days' written notice should any scheduled meeting, training session or other activity need to be cancelled or postponed. If Customer fails to provide such notice, Springbrook shall invoice the Customer for the lost or delayed scheduled time, with a minimum charge of two (2) hours. Additional charges may apply based on the resources and preparation required for the meeting.

- **Customer Responsibilities:** The customer will provide adequate internal resources and ensure the accuracy of all information provided to Springbrook. Customers are responsible for extracting data from any legacy systems and transferring the data into Springbrook's import templates.

Special Order Terms

Special Order Terms (if any):
Recontract for 8/1/2026-7/31/2027, 3 Years, 7.25% uplift
8/1/2026-7/31/2027 $66.619
8/1/2027-7/31/2028 $71,449
8/1/2028-7/31/2029 $76,629

NOT TO EXCEED $233,697.00

By signing, both parties agree to the terms and conditions set forth in this agreement.

* If the Customer requires a PO number on invoices, the Customer must provide Springbrook with the PO number and a copy of the PO prior to invoice issuance. If a PO number is not provided prior to the invoice issuance date, invoices issued on this Order Form will be valid without a PO reference.

Websoft Developers, Inc.	**Lodi, CA**
Signature:	Signature:
Name (Print):	Name (Print):
Title:	Title:
Date:	Date:

Purchase Order # (if required)_____

Websoft Developers Inc.

CLOUD SERVICE MASTER AGREEMENT

TERMS AND CONDITIONS

These Terms and Conditions, together with each Order Form entered into by the Parties that references such Terms and Conditions, constitute a binding agreement ("**Agreement**") by and between Websoft Developers Inc. ("**Websoft**") and the Customer identified on the Order Form ("**Customer**"). These Terms and Conditions become effective as of the date of the related Order Form or use of the Websoft Services. Each of Websoft and Customer is referred to herein individually as a "**Party**" and collectively as the "**Parties**."

Use of the Cloud Service, as defined below, is subject to the Agreement. If Customer is entering into the Agreement on behalf of a company, organization, or another legal entity (an "**Entity**"), Customer is agreeing to this Agreement for that Entity and representing to Websoft that it has the authority to bind such Entity to the Agreement.

Recitals

WHEREAS, Websoft has developed an ERP solution for local government agencies that is offered as a SaaS-based cloud service (the "**Cloud Service**"); and

WHEREAS, Customer is interested in obtaining the functionality provided by the Cloud Service;

NOW THEREFORE, in consideration of the mutual promises set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

Agreement

1. **Definitions**. Certain capitalized terms used in the Agreement shall have the definitions set forth below.

   (a) **Affiliate**: means an entity that controls, is controlled by or is under common control with a Party to the Agreement, where control means the legal or beneficial ownership of more than fifty percent (50%) of the voting shares of an entity or the ability to direct or cause the direction of management and policies of such entity.

   (b) **Authorized User:** means one individual natural person, authorized by Customer to use the Cloud Service. Authorized Users may include but are not limited to Customer's employees, contractors and agents. Each Authorized User will be associated with a single unique email address and password for purposes of accessing (and being identified within) the Cloud Service.

   (c) **Channel Partner**: means an authorized reseller, distributor, or other channel partner of Websoft from which Customer is able to procure some or all of the Websoft Services.

(d) **Cloud Software**: means the Websoft proprietary software, in object code format, including Documentation, updates, patch releases, and upgrades with respect thereto, that Websoft makes available for download or otherwise provides for use in connection with the Cloud Service. Cloud Software excludes any OSS and other third-party's software. If and as designated in the Specifications, the Cloud Software may be inclusive of application programming interfaces ("APIs") developed by Websoft to enable interaction and integration with the Cloud Service.

(e) **Cloud Specifications:** means the online specifications for the Cloud Service, as made available by Websoft at https://sprbrk.box.com/v/websoft-software-specs (which URL location and content may be updated from time to time by Websoft).

(f) **Confidential Information**: means nonpublic, confidential, or proprietary information regarding either Party's business or any aspect of this Agreement, including, without limitation, technology, proprietary data compilations, computer source codes, compiled or object codes, scripted programming statements, byte codes or data codes, entity-relation or workflow diagrams, product plans, pricing, customer information and other technical, financial, marketing and business information. Information that is marked or identified as confidential or proprietary or that would reasonably be considered to be confidential based on the nature of such information and the circumstances under which it is disclosed shall be deemed to constitute Confidential Information. Confidential Information may include confidential or proprietary information of third parties that the Disclosing Party is permitted to disclose, and does disclose, to the Recipient hereunder. Confidential Information may be presented to Recipient in oral, written, graphic, and/or machine-readable formats. Regardless of presentation format, such information will be deemed and treated as Confidential Information. Notwithstanding the above, "Confidential Information" shall not include information that: (i) the Recipient can demonstrate was in its possession at the time of disclosure and was not acquired by the Recipient directly or indirectly from the Disclosing Party on a confidential basis; (ii) becomes available to the Recipient on a non-confidential basis from a source other than Disclosing Party (whether directly or indirectly) and which source to the best of Recipient's knowledge did not acquire the information on a confidential basis; (iii) is approved for release or use without restriction by written authorization of an officer of the Party owning the Confidential Information; (iv) is independently developed by or for the Recipient without use of the Disclosing Party's Confidential Information; (v) subject to mandatory disclosure pursuant to a state's public records laws, or (vi) has become generally available to the public without breach of this Agreement by the Recipient or an affiliate of the Recipient.

(g) **Customer:** means the entity that purchases a Subscription to the Cloud Service directly from Websoft or through a Channel Partner.

(h) **Customer Data:** means any and all content, eDocuments, materials, data and information that Customer or its Authorized Users, or others who input data into the Cloud Service, such as citizens of the jurisdiction to which Customer provides services, enter into the Cloud Service including but not limited to, personal information, information exchanged between Customer and an Authorized User or an Authorized User and a third party using the Cloud Service, information used to identify account names or numbers, routing information, usernames, passwords, access codes and prompts.

(i) **Disclosing Party:** means a Party that discloses Confidential Information to a Recipient.

(j) **Documentation**: means information describing the features, functionality, operating instructions and other aspects of the Cloud Service or Cloud Software. Information contained on Websoft publicly facing website does not constitute Documentation.

(k) **Effective Date**: means the date of the first Order Form that is governed by these Terms and Conditions.

(l) **Fees**: means amounts payable by Customer to Websoft as consideration for the Websoft Services.

(m) **Intellectual Property Rights:** means any and all rights existing now or in the future under laws relating to patents, copyright, industrial design, moral rights, trade secrets, trademarks, publicity rights, and any and all similar proprietary rights, and any and all applications for registration, letters patent, renewals, extensions, divisions, continuations, reissues, and restorations thereof, now or hereafter in force and effect anywhere in the world.

(n) **Maintenance and Support Services:** means Websoft obligations related to availability, error resolution, response to support requests, bug fixes, and the provision of updates and upgrades to the Cloud Software or Cloud Service as further described in Exhibit A hereto.

(o) **Open Source Software** or **OSS:** means software components that are licensed under a license approved by the Open Source Initiative or similar open source or freeware license and may be embedded in the delivered Cloud Software.

(p) **Optional Cloud Services**: mean the optional add-ons to the Cloud Service that may be available for purchase either directly from Websoft or through Channel Partner, as more particularly described or identified in the applicable Order.

(q) **Order Form**: means a purchase document executed by Customer and Websoft in which Customer orders Websoft Services.

(r) **Order Terms**: means the ordering information (such as order date, products, quantity and similar information) and terms and conditions specified on an Order Form.

(s) **Personal Information:** means any data that can identify or locate an individual.

(t) **Professional Services**: means services relating to the Cloud Service, such as implementation, customization, and training.

(u) **Recipient**: means a Party that receives Confidential Information from a Disclosing Party.

(v) Websoft **Services**: means the Cloud Service, Cloud Software, Maintenance and Support Services, and Professional Services.

(w) **Subscription**: means a paid for right to access and use the Cloud Service.

(x) **Subscription Period(s):** means the duration of a Customer's and its Authorized Users' active, paid Subscription to the Cloud Service, as designated in the Order Form(s).

(y) **Supported Modification:** means a configuration of or modification to the Cloud Service requested by Customer that can be consistently supported by Websoft via APIs, does not require direct database changes and is capable of being tested and maintained by Websoft.

(aa) **Term:** shall be the period of time for which this Agreement is in effect, as further set forth in Section 13. Term is different from a Subscription Period.

(bb) **Third Party Services:** means products, services, technology, and methods other than proprietary Websoft Services.

2. Cloud Service Terms and Conditions.

(a) Subject to compliance with the terms and conditions of the Agreement, including advance receipt of applicable Fees, Websoft will make the Cloud Service available to Authorized Users during the Subscription Period for use in connection with the internal business purposes of Customer.

(b) Websoft hereby grants to Customer a limited, non-exclusive, non-transferrable right to access, implement, and configure the Cloud Software during the Subscription Period, solely for its internal business purposes in connection with use of the Cloud Service and in accordance with the Specifications.

(c) Customer will ensure that all of its Authorized Users using the Cloud Services under its account comply with all of Customer's obligations under this Agreement. Customer is responsible for all activity (whether or not authorized by Customer) occurring under Customer's account, including acts and omissions of its Authorized Users and individuals using credentials of Authorized Users, as though they were those of Customer. Customer will notify Websoft promptly of any unauthorized access or use of the Websoft Services.

(d) Customer will be responsible for meeting minimum system requirements for use of the Cloud Service accessible at https://sprbrk.box.com/v/websoft-minimum-requirements (which URL location and content may be updated from time to time by Websoft) for use of the Cloud Service;

(e) Customer will use the Websoft Services only in accordance with the Agreement, the applicable Documentation, laws and government regulations, and any written instructions provided by Websoft to Customer.

(f) The Cloud Service is provided with a limit of five hundred gigabytes (500GB) of data storage for all cloud environments. Additional storage can be purchased from Websoft by Customer in blocks of five hundred megabytes (500MB), with a price of one thousand dollars ($1,000) per year. If a Subscription Period for the Cloud Service is nearing its expiration date or is otherwise terminated, Websoft will initiate its data retention processes, including the deletion of Customer Data from systems directly controlled by Websoft. Websoft Data Storage Policy can be accessed at https://sprbrk.box.com/v/websoft-data-storage-policy (which URL location and content may be updated from time to time by Websoft).

3. **Restrictions on Use of the Cloud Service and Cloud Software.** Except as otherwise expressly provided in the Agreement (including any Exhibits), Customer shall not (and shall not permit any Authorized User or third party to):

(a) make the Cloud Service available to anyone other than Authorized Users;

(b) use the Cloud Service, or allow access to it, in a manner that circumvents contractual usage restrictions or that exceeds Customer's authorized use or usage metrics as set forth in the Agreement, including the applicable Order Form(s);

(c) sublicense, sell, resell, transfer, assign, distribute, share, lease, make any external commercial use of, outsource, use on a timeshare or service bureau basis, or use in an application service provider or managed service provider environment, or otherwise generate income from, the Websoft Services;

(d) modify, obscure, alter, or remove any confidentiality or proprietary rights notices contained in the Websoft Services;

(e) decompile, disassemble, or reverse engineer any portion of the Cloud Software or Cloud Service, or attempt to discover any source code or other operational mechanisms of the Cloud Software or Cloud Service (except where such restriction is expressly prohibited by law without the possibility of waiver, and then only upon prior written notice to Websoft);

(f) use any third-party software provided with the Cloud Software or Cloud Service other than in connection with the Cloud Software or Cloud Service;

(g) use the Websoft Services in violation of any applicable laws and regulations;

(h) use the Websoft Services to (1) store, download or transmit infringing, libelous, or otherwise unlawful or tortious material, or malicious code or malware, or (2) engage in phishing, spamming, denial-of-service attacks, spreading viruses or other harmful code, or other fraudulent or criminal activity, (3) interfere with or disrupt the integrity or performance of third party systems, the Cloud Software, Cloud Service or data contained therein, (4) violate or infringe upon the rights of a third party, including those pertaining to contract, intellectual property, privacy, or publicity, or (5) attempt to gain unauthorized access to the Cloud Software or Cloud Service;

(i) access or use the Websoft Services (inclusive of any APIs) for the purpose of developing or operating products or services intended to be offered to third parties in competition with the Cloud Service or allow access by a direct competitor of Cloud Service;

(j) access the Websoft Services for purposes of monitoring availability, penetration, or security testing, or any benchmarking;

(k) obtain or attempt to obtain intellectual property rights to any component of the Websoft Services (inclusive of APIs) other than those expressly provided herein;

(l) create derivative works based on the Websoft Services;

(m) use or allow the use of, the Websoft Services by anyone located in, under the control of, or that is a national or resident of a U.S. embargoed country or territory or by a prohibited end user under

export control laws of the United States or any other applicable jurisdiction.

4. **Customer Cooperation**. Customer is responsible for selecting Authorized Users and represents and warrants it shall select Authorized Users who are qualified to operate the Cloud Service and are familiar with the information, calculations, and reports that serve as input and output. Any data entry errors are the responsibility of Customer and Websoft does not assume the cost of any necessary servicing, repair or correction arising from such errors. Customer acknowledges that successful installation, implementation and use of the Websoft Services cannot be accomplished by Websoft 's efforts along and requires substantial effort and cooperation by Customer. Both Websoft and Customer shall at all times use their best efforts to actively participate and cooperate in data conversion, system installation, implementation, training and use, shall provide each other accurate and timely information, and shall afford each other reasonable access to information and facilities. All substantive communication between Websoft and Customer will take place between Websoft and a project manager designated by Customer.

5. **Third Party Services.** Customer may choose to obtain products and services that are provided or supported by third parties ("**Third-Party Services**") for use in conjunction with the Websoft Services either directly from the third party providing the Third Party Services or indirectly through Websoft where Websoft acts as a reseller of the Third Party Services. Third Party Services may require Customer to enter into a license or other agreement with such third party for use of the Third-Party Services. Customer is solely responsible for obtaining any such license or other agreement for the Third--Party Services. CUSTOMER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THIRD-PARTY SERVICES ARE PROVIDED PURSUANT TO THE TERMS OF THE APPLICABLE THIRD-PARTY LICENSE OR SEPARATE AGREEMENT (IF ANY) BETWEEN THE PROVIDER OF THE THIRD-PARTY SERVICES AND CUSTOMER, CUSTOMER MAY SEEK REDRESS FOR USE OF THE THIRD-PARTY SERVICES SOLELY FROM THE THIRD PARTY PROVIDING THE THIRD-PARTY SERVICES, AND WEBSOFT ASSUMES NO RESPONSIBILITY FOR, AND SPECIFICALLY DISCLAIMS ANY LIABILITY OR OBLIGATION WITH RESPECT TO, ANY THIRD-PARTY SERVICE.

6. **Maintenance and Support Terms.**

(a) Support. Maintenance and Support Services, as described in Exhibit A, are included in the Cloud Service Subscription for no additional fees, except as provided otherwise in Exhibit A.

(b) Partner Support. Notwithstanding anything herein to the contrary, if Customer receives Maintenance and Support Services from an authorized Channel Partner, then the terms for such services agreed upon by Customer and such Channel Partner shall govern in lieu of those set forth in the Exhibit A attached hereto, and Websoft shall have no support obligations to Customer.

7. **Ordering Process.**

(a) Order Forms. Customer may purchase the Websoft Services (Cloud Service Subscriptions, Cloud Software licenses or Professional Services) by executing and submitting an Order Form. Execution of an Order Form referencing these Terms and Conditions makes them binding upon Customer, as does any access or use of the Websoft Services. Upon execution of an Order Form by both Parties and subject to Customer's payment of the corresponding Fees, Websoft will make the Cloud Service or Cloud Software, as applicable, available to Customer. Any terms and conditions contained in any quote, invoice, or purchase order that are inconsistent with or are in addition to the terms and conditions of the Agreement will be deemed stricken, unless expressly agreed to in writing by Websoft with explicit reference to the accepted terms and conditions. Upon acceptance of an Order

Form, it will become part of the Agreement and will supersede any conflicting terms herein.

(b) No Requirement for Purchase Order. Customer acknowledges that a purchase order is not required and is for administrative convenience only, and that Websoft has the right to issue an invoice and collect payment without a corresponding purchase order, provided, however, that if a Customer's procurement procedure requires the issuance of a purchase order or a purchase order number on a pertinent Order Form or Statement of Work, the purchase order is required to be provided to Websoft . If the Customer issues a purchase order, then it shall be for the full amount set forth in the applicable Order Form or Statement of Work.

8. Payment Terms.

(a) Pricing. Customer will be invoiced for those amounts and at those prices set forth in an Order Form. Fees do not include any customization of the Cloud Software or Cloud Service (nor support for any such customizations, unless otherwise agreed in writing). If Customer's usage of the Cloud Software or Cloud Service is in excess of those amounts set forth in the Order Form, Customer may be billed for those overages. Customer acknowledges that purchases under the Agreement are neither contingent on the delivery of any future functionality or features nor dependent on any oral or written public comments made by Websoft regarding future functionality or features of the Websoft Services. Except as otherwise specified herein or in an Order Form, (i) fees are based on the specified Websoft Services purchased, (ii) payment obligations are noncancelable and fees paid are non-refundable, except for amounts paid in error that are not actually due under the Agreement or as otherwise expressly provided herein, and (iii) quantities purchased cannot be decreased during the relevant Subscription Period.

(b) Payments. Websoft will invoice Customer in advance for the Cloud Service. Customer shall pay Invoices within thirty (30) days of the invoice date. If Customer orders additional Subscription quantities or services part-way through an existing Subscription Period the initial Subscription Period for the additional quantity or services will be made coterminous with the existing Subscription Period and the Cloud Service Fee for such additional quantity will be prorated accordingly. Fees for Optional Cloud Service will be due at the same time as payment for the corresponding Cloud Service, or (if applicable) as otherwise specified in the applicable Order Form or governing terms. Customer is responsible for keeping Websoft accurately and fully informed of Customer's billing and contact information, including providing any purchase order numbers in advance of invoice issuance. Websoft shall have no responsibility for any invoices that are not received due to inaccurate or missing information provided by Customer. Customer shall pay interest on all payments not received by the invoice due date set forth above at a rate of one and a half percent (1.5%) per month or the maximum amount allowed by law, whichever is lower. All amounts due under this Agreement shall be paid by Customer in full without any set-off, counterclaim, deduction or withholding. Subscription Fees will be subject to an automatic annual increase in the amount set forth in the applicable Order Form. ("**Standard Annual Price Increase**"). Notwithstanding anything herein to the contrary, if Customer makes its payments pursuant to this Agreement to a Channel Partner, then the payment terms agreed by Customer and such Channel Partner shall govern to the extent anything in this Section 8 conflicts with such payment terms.

(c) Taxes. Fees for Websoft Services do not include any taxes, levies, duties or similar governmental assessments of any nature, including but not limited to value-added, sales, use or withholding taxes, assessable by any local, state, provincial, federal or foreign jurisdiction (collectively, "**Taxes**"). Customer is responsible for paying all Taxes. If Websoft has the legal obligation to pay or collect Taxes for which Customer is responsible under this paragraph, the appropriate amount will be invoiced to and paid by Customer, unless Customer provides Websoft with a valid tax exemption certificate authorized by the appropriate taxing authority prior to invoice issuance. For clarity, Websoft is solely responsible for taxes assessable against it based on Websoft 's income, property and employees.

(d) Suspension of Service. If any amount owing by the Customer for the Cloud Service is ninety (90) or more days delinquent, Websoft may, in its sole discretion and cumulative to its other remedies under this Section, temporarily cease providing to Customer the Cloud Service.

9. Ownership.

(a) Ownership of Websoft Services. As between Websoft and Customer all right, title and interest to the Cloud Software, the Cloud Service, all technology underlying the foregoing, the Documentation, any improvements, design contributions, updates, or derivative works thereto, any knowledge or processes related thereto and/or provided hereunder, and all associated Intellectual Property Rights, belong solely to Websoft , and is protected under the laws of the United States and the individual states and by international treaty provisions. Websoft reserves all rights not granted herein.

(b) Limited Rights. Customer shall only receive those rights in the Websoft Services that are expressly granted to it hereunder. Customer acknowledges that the rights granted under this Agreement, as they pertain to Maintenance and Support and to the Cloud Software and Cloud Service, do not provide Customer with title to or ownership of the Cloud Software or Cloud Service.

10. Feedback. Customer grants Websoft a royalty-free, fully-paid, worldwide, transferable, sub- licensable, irrevocable, perpetual license to use or incorporate into the Websoft Services (or Websoft's other software or services) any suggestions, enhancement requests, recommendations, or other feedback provided by Customer or Authorized Users relating to the operation or features of the Websoft Services.

11. Security.

(a) Customer Responsibilities. Information or data generated by the Cloud Service, that is provided to, and stored by, the Customer, is the sole responsibility of the Customer. Websoft shall not be responsible for the theft, misappropriation, loss, or misuse of personal or entity related financial information, utility billing records, or any other financial information stored in Customer controlled electronic media or physical storage locations. Customer acknowledges that Customer is solely responsible for the Customer's security procedures, including but not limited to password security, encryption of sensitive information, proper handling of payroll

ACH files, physical custody of cash, internal audit procedures and processes, annual reporting, and proper training in security and backup procedures. In addition, the Customer and its related entities and affiliates agree to indemnify and hold harmless Websoft , its contractors and agents from all costs, damages, expense and attorney's fees incurred in the event of any security breach, theft, misappropriation, loss, misuse of personal or entity related financial information, or other related incident.

(b) Security Breaches. Customer acknowledges that, notwithstanding the security features of the Cloud Service, no product, hardware, software or service can provide a completely secure mechanism of electronic transmission or communication and that there are persons and entities, including enterprises, governments and quasi-governmental actors, as well as technologies, that may attempt to breach any electronic security measure. Subject only to its limited warranty obligations set forth in Section 14, Websoft will have no liability for any security breach caused by any such persons, entities, or technologies.

(c) Customer Data. Customer shall be responsible for Customer Data as entered in to, applied or used in the Cloud Service. Customer is responsible for ensuring the accuracy, quality, integrity and legality of Customer Data. Customer grants to Websoft the non-exclusive right to process Customer Data (including personal data) for the sole purpose of and only to the extent necessary for Websoft : (i) to provide the Websoft Services; (ii) to verify Customer's compliance with the restrictions set forth in Section 3 (Restrictions on Use of the Cloud Service and Cloud Software) if Websoft has a reasonable belief of Customer's non-compliance; and (iii) as otherwise set forth in this Agreement, including the Websoft Privacy Policy. Websoft may utilize the information concerning Customer's use of the Cloud Service (excluding any use of Customer's personal data or Customer's Confidential Information) to improve the Cloud Service, to provide Customer with reports on its use of the Cloud Services, and to compile aggregate statistics and usage patterns by customers using the Cloud Services. Customer represents and warrants that it owns or has full and unrestricted rights and authority to effectuate the grants set forth in this Section and there are no third parties who may claim rights or interests in the Customer Data or otherwise hinder such grants.

(d) Use of Aggregate Data. Customer agrees that Websoft may collect, use, and disclose quantitative data derived from the use of the Cloud Service for industry analysis, benchmarking, analytics, marketing, and other business purposes. All disclosed data will be in aggregate form only and will not identify Customer, its Authorized Users, or any third parties utilizing the Cloud Service.

12. Confidentiality.

(a) Confidentiality Term. The obligations described in this Section commence on the Effective Date and will continue until two (2) years following any termination or expiration of this Agreement ("**Confidentiality Term**").

(b) Confidentiality Obligations. During the Confidentiality Term and subject to the other terms of this Agreement (including Websoft's Privacy Policy, accessible at https://sprbrk.box.com/v/websoft-privacy-policy, which URL and its content may be updated from time to time by Websoft), Recipient will protect the confidentiality of Confidential Information using the same degree of care that it uses to protect its own information of similar importance, but will in any case use no less than a reasonable degree of care to protect Confidential Information. Recipient will not directly or indirectly disclose Confidential Information or any part thereof to any third party without Disclosing Party's advance express written authorization to do so. Recipient may disclose Confidential Information only to its

employees, contractors or advisors on a need-to-know basis and who are bound by confidentiality and non-use restrictions at least as stringent as those contained herein. In responding to a request for Confidential Information, Recipient will cooperate with Disclosing Party, in a timely fashion and in a manner consistent with applicable laws, to protect the Confidential Information to the fullest extent possible.

(c) Legally Compelled Information. In the event the Recipient becomes legally compelled (by deposition, interrogatory, requests for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, or the Recipient determines that it is obligated by law, rule, statute or governmental regulation to disclose any of the Confidential Information, the Recipient shall provide the Disclosing Party with prompt written notice of such requirement so that the Disclosing Party, if possible, may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. In the event that such protective order or other remedy is not obtained, the Recipient agrees to furnish only that portion of the Confidential Information that it is legally required to furnish and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information. A Party's obligations hereunder with respect to legally compelled information shall continue to be applicable for all other purposes.

(d) Publicity. During the term of this Agreement, including the term of any amendment hereto, Websoft may publicly disclose its ongoing business relationship with Customer. Such disclosures may indicate Customer's identity and the Websoft Services provided or contracted to be provided to Customer. These disclosures may include press releases or other communications to media, display on Websoft web sites, or use in other marketing activities, but will not include non-public information or indicate Customer's express endorsement of Websoft's products or services without Customer's prior written authorization.

13. Term and Termination.

(a) Term. The term of this Agreement begins on the Effective Date and will remain in effect until all Cloud Service Subscriptions expire or until this Agreement is otherwise terminated in accordance with the terms hereof, whichever occurs first (the "**Term**"). Except as otherwise specified in the applicable Order Form, all Cloud Service Subscriptions will have an initial three (3) year term and then automatically renew for successive three (3) year terms unless otherwise stated in the applicable order form, provided that either party may terminate this Agreement effective upon the expiration of the Subscription Period, by notifying the other party in writing at least sixty (60) days prior to the expiration of the Subscription Period. Cancellation notices should be sent to operations@sprbrk.com. This Agreement may be renewed at any time by execution of an Order Form referencing this Agreement, and any such renewal will be deemed part of the "Term" hereunder. Subject to Section 8(b) (Payments), pricing increases will be effective upon renewal of the Subscription Period and annually thereafter.

(b) Termination. Websoft or Customer may terminate the Agreement if the other party materially breaches a material provision thereof, including associated Order Form(s), and, after receiving a written notice describing the circumstances of the default, fails to correct the breach within thirty (30) calendar days. Websoft may immediately terminate this Agreement and/or Customer's Cloud Service Subscription or license to the Cloud Software upon Customer's breach of Section 3 (Restrictions on Use of the Cloud Service and Cloud Software). Either Party may also terminate the Agreement upon written notice if the other party suspends payment of its debts or experiences any

other insolvency or bankruptcy-type event.

(c) Effect of Termination. Upon expiration or termination of this Agreement for any reason, (i) Customer shall immediately pay any amounts then owing to Websoft; (ii) the right to access the Cloud Service or Cloud Software will end; and (iv) each Recipient will return or destroy, at the Disclosing Party's option, the Disclosing Party's Confidential Information in the Recipient's possession or control.

(d) Other Termination. Websoft may terminate this Agreement in the event the Cloud Software or Cloud Service, as applicable, is phased out across Websoft's customer base. In such event, Websoft will provide Customer sufficient advance notice and the parties will mutually agree to a migration plan for converting Customer to another Websoft generally-available offering with comparable functionality.

(e) Survival. All fees that have accrued as of such expiration or termination, and Sections 1, 5, 8, 9-12, 13(c), 14(d), 15, 16 and 17 will survive any expiration or termination hereof.

14. Warranties.

(a) Mutual Warranties. Each Party represents and warrants that: (a) this Agreement has been duly executed and delivered and constitutes a valid and binding agreement enforceable against it in accordance with the terms of the Agreement; (b) the Agreement does not conflict with any other agreement or arrangement to which a Party is bound, and (c) no authorization or approval from any third party is required in connection with its execution, delivery, or performance of this Agreement.

(b) Limited Warranty. Subject to the limitations set forth below, Websoft warrants that during the Subscription Period, the Cloud Service will, in all material respects, operate in conformity with the then-current Cloud Specifications for the applicable Cloud Service version. Websoft's sole and exclusive obligation, and Customer's sole and exclusive remedy, for a breach of this warranty shall be that Websoft shall be required to use commercially reasonable efforts to modify the Cloud Service to conform in all material respects to the Specifications. Customer further acknowledges that the Cloud Service is not guaranteed to operate without interruptions, failures, or errors. Websoft will not be responsible to the extent failure of the Cloud Service to operate as warranted is caused by or results from: (i) any modification to the Cloud Service other than a Supported Modification; (ii) combination, operation or use of the Cloud Service with Customer's or Third Party Services, software or systems;

(iii) abuse, willful misconduct, or negligence by anyone other than Websoft or Websoft's designee; (iv) installation, configuration and use of the Cloud Service other than in accordance with the terms of this Agreement and/or the applicable Specifications and Documentation or (v) any of the Exclusions (as defined in the Cloud Service Level Commitment).

(c) Subscription Service Level Commitment. During the Subscription Period, Websoft warrants that the Subscription Service will meet the performance level specified in Exhibit A, which sets forth Customer's sole and exclusive remedy for Websoft's failure to achieve the stated Cloud Service performance level.

(d) Warranty Disclaimer. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION 14, ALL WEBSOFT SERVICES ARE PROVIDED "AS IS" AND WEBSOFT AND ITS SUPPLIERS EXPRESSLY DISCLAIM ANY AND ALL OTHER REPRESENTATIONS AND WARRANTIES, EITHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE

WITH RESPECT THERETO, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, OR THE CONTINUOUS, UNINTERRUPTED, ERROR-FREE, VIRUS-FREE, OR SECURE ACCESS TO OR OPERATION OF THE WEBSOFT SERVICES. WEBSOFT EXPRESSLY DISCLAIMS ANY WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF ANY INFORMATION OR DATA ACCESSED OR USED IN CONNECTION WITH THE WEBSOFT SERVICES OR MAINTENANCE AND SUPPORT OR THAT THE WEBSOFT SERVICES WILL BE COMPATIBLE OR WORK WITH ANY CUSTOMER OR THIRD-PARTY SOFTWARE OR HARDWARE.

15. Mutual Indemnification.

(a) Indemnification by Customer. Customer will defend (or settle), indemnify and hold harmless Websoft, its officers, directors, employees and subcontractors, from and against any liabilities, losses, damages and expenses, including court costs and reasonable attorneys' fees, arising out of or in connection with any third-party claim: (i) that a third party has suffered injury, damage or loss resulting from Customer's or any Authorized User's use of the Software or Cloud Service, or (ii) arising from allegations that Customer has used the Software or Cloud Service in a manner that violates this Agreement or applicable law, or (iii) in connection with the nature and content of Customer Data processed by the Software or Cloud Service.

(b) Indemnification by Websoft.

(i) Intellectual Property Indemnification. Subject to the terms and conditions of this Section 15, Websoft will (a) defend at its expense any filed lawsuit (a "**Claim**") brought against Customer by a third party (the "Claimant") to the extent such Claim alleges that the Cloud Service or Cloud Software provided by Websoft to Customer hereunder violates or infringes the Claimant's patents, trademarks or copyrights or misappropriates the Claimant's trade secrets (collectively, "**IP Rights**"), and (b) either (i) indemnify Customer with respect to any final, non-appealable judgments, costs, fines or penalties awarded, entered or assessed against Customer by a court of competent jurisdiction that directly result from a Claim, or (ii) pay the value of any settlement with the Claimant agreed to by Websoft.

(ii) Websoft Options. If a temporary or permanent injunction is obtained against the use of any part of the Cloud Service or Cloud Software for the reason that they infringe or misappropriate any third party's IP Rights or there is a reasonable likelihood of such an injunction, Websoft may at its option (a) modify the Cloud Service or Cloud Software to avoid the allegation of infringement, (b) obtain for Customer the right to continue using the Cloud Service or Cloud Software, or (c) replace the allegedly infringing Cloud Service or Cloud Software with non-infringing and functionally equivalent technology. In the event that none of the foregoing is commercially reasonable, Websoft may terminate Customer's right to use the allegedly infringing portion of the Cloud Service or Cloud Software.

(iii) Exclusions. Websoft will not be liable or have any obligations hereunder for any infringement of IP Rights resulting from (a) the combination, utilization or integration of the Cloud Service or Cloud Software with Customer's or any third party's products or technology, (b) compliance with Customer's designs, specifications or instructions; (c) unauthorized modification of the Cloud Service or Cloud Software by any entity other than Websoft, (d) use of the Cloud Service or Cloud Software other than as specified in Websoft's published specifications and documentation, (e) Customer's failure to incorporate updates or upgrades that would have avoided the alleged infringement; or (f) Customer's breach of the Agreement.

(iv) THIS SECTION 15 STATES THE ENTIRE OBLIGATION OF WEBSOFT, ITS AFFILIATES AND ITS LICENSORS WITH RESPECT TO ANY ALLEGED OR ACTUAL INFRINGEMENT OR MISAPPROPRIATION OF IP RIGHTS BY THE CLOUD SOFTWARE, CLOUD SERVICE OR ANY OTHER WEBSOFT SERVICES.

(c) Indemnification Requirements. In connection with any claim for indemnification under this Section 15, the indemnified party must: (i) provide the indemnifying party prompt written notice of such claim; (ii) reasonably cooperate with the indemnifying party, at indemnified party's expense, in defense and settlement of such claim; (iii) give sole authority to the indemnifying party to defend or settle such claim; and (iv) make no admission of liability with respect to the claim. The indemnified party may, at its sole expense, actively participate in any suit or proceeding, through its own counsel.

16. Limitation of Liability.

(a) Waiver of Consequential Damages. Neither Websoft nor any other person or entity involved in creating, producing, or delivering the Websoft Services will be liable for any indirect, incidental, special, punitive, exemplary or consequential damages, including lost profits, loss of data or loss of goodwill, loss of revenue, service interruption, computer damage or system failure or the cost of substitute products or services, or other commercial or economic loss of any kind whatsoever, or any liability of Customer to a third party, arising out of or in connection with this Agreement or from the use of or inability to use the Websoft Services, whether based on warranty, contract, tort (including negligence), product liability or any other legal theory, even if Websoft was advised of the possibility of such damages. Some jurisdictions do not allow the exclusion or limitation of incidental, consequential or special damages, so the above limitations may not apply to Customer.

(b) Maximum Liability. In no event will Websoft's aggregate liability hereunder to Customer or any third party arising out of or in connection with this Agreement or from the use of or inability to use the Websoft Services, whether in contract, tort or under any other theory of liability, exceed the total amount paid by Customer in the twelve (12) month period preceding the incident. These limitations shall apply notwithstanding any failure of essential purpose of any remedy.

(c) If Customer or Authorized Users use the Cloud Service in any application or environment where failure could cause personal injury, loss of life, or other substantial harm, Customer assumes any associated risks and will indemnify Websoft and hold it harmless against those risks.

17. Other Terms and Conditions.

(a) Dispute Resolution. This Agreement is governed by the laws of the State of Utah without regard for its conflict of laws principles. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, will be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, including the Emergency Interim Relief Procedures, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The number of arbitrators shall be one (1) unless the Parties mutually agree otherwise. The place of arbitration will be American Fork, Utah. Either party may apply to the arbitrator for injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy hereunder, seek from any court having

jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the arbitrator's determination of the merits of the controversy. Each party will initially bear its own expenses and an equal share of the costs of the arbitration, but the prevailing party may be awarded its expenses, reasonable attorneys' fees, and costs.

(b) Other Agencies. Each Party understands and agrees that this Agreement may be used by other governmental agencies under substantially the same terms and conditions, excluding pricing, duration, scope of services to be provided, and other terms unique to the Customer. Each governmental agency desiring to accept this Agreement, and make an award thereof, shall do so independently of the Customer and/or any other governmental agency. Each governmental agency shall be responsible for its own purchases, and each shall be liable only for materials and/or services ordered and received by it, and no governmental agency, other than Customer, assumes any liability by virtue of this Agreement. This Agreement in no way restricts or interferes with the right of the Customer or any governmental agency to competitively procure any or all items. The foregoing does not authorize either Party to disclose Confidential Information of the other Party.

(c) Equitable Relief. The Recipient acknowledges that unauthorized disclosure of the Disclosing Party's Confidential Information or misappropriation or infringement of a Party's Intellectual Property Rights could cause substantial harm to the Disclosing Party or owner of such Intellectual Property Rights for which damages alone might not be a sufficient remedy and, therefore, that upon any such disclosure, misappropriation or infringement, the injured Party will be entitled to seek appropriate equitable relief in addition to whatever other remedies it might have at law or equity.

(d) Assignment. Websoft may assign its rights and obligations hereunder for purposes of financing or pursuant to corporate transactions involving merger, acquisition, or the sale of all or substantially all of its stock or assets. Assignment by a Customer of its rights and obligations hereunder requires the advance written consent of Websoft. Any attempted assignment or transfer, without such consent, will be void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

(e) Entire Agreement. This Agreement sets forth the entire agreement between the Parties and supersedes any and all prior agreements of the Parties with respect to the transactions set forth herein.

(f) Severability and Amendment If any particular provision of this Agreement is determined to be invalid or unenforceable, that determination will not affect the other provisions of this Agreement, which will be construed in all respects as if the invalid or unenforceable provision were omitted. No extension, modification, or amendment of this Agreement will be effective unless it is described in writing and signed by all Parties.

(g) Notice. Except as otherwise specified in this Agreement, all notices, permissions and approvals hereunder will be in writing and will be deemed to have been given upon: (i) personal delivery, (ii) the third business day after mailing by first class mail, or (iii) sending by confirmed email if sent during the recipient's normal business hours (or, if not, then on the next business day). Notices will be sent to the address specified by the recipient in writing when entering into this Agreement or establishing Customer's account for the Websoft Services (or such other address as the recipient may thereafter specify by notice given in accordance with this Section 17).

(h) Compliance with Laws. Each party will comply with all applicable laws and regulations with respect

to its activities under this Agreement including, but not limited to, export laws and regulations of the United States and other applicable jurisdictions. Without limiting the foregoing, Customer will not permit Authorized Users to access or use the Cloud Service or Cloud Software in violation of any U.S. export embargo, prohibition or restriction. Further, in connection with the services performed under this Agreement and Customer's use of the Cloud Services or Cloud Software, the Parties agree to comply with all applicable anti- corruption and anti-bribery laws, statutes, and regulations.

(i) Relationship of the Parties. This Agreement does not create a partnership, franchise, joint venture, agency, fiduciary or similar relationship between the parties.

(j) Waiver and Cumulative Remedies. No failure or delay by either party in exercising any right under this Agreement will constitute a waiver of that right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a party at law or in equity.

(k) Force Majeure. Websoft will not be liable for any delay or failure to perform under this Agreement to the extent such delay or failure results from circumstances or causes beyond the reasonable control of Websoft.

Exhibits Follow

EXHIBIT A
MAINTENANCE AND SUPPORT
AVAILABILTY

This Exhibit A is part of the Websoft Cloud Service Master Agreement Terms and Conditions. It may be updated from time to time by Websoft in its sole discretion.

I. SUPPORT POLICY

Updates

Updates may address security fixes, critical patches, general maintenance functionality, and documentation and shall be made available at Websoft's discretion. Websoft is under no obligation to develop any future functionality or enhancements unless otherwise specified in the Agreement. If an update for the Cloud Service is made available to Customer pursuant to this Support Policy, it will automatically replace the previous version of the applicable Cloud Service.

Support Commitment

In support of the Cloud Service, Websoft will provide Customer with the following first line support: Telephone Support. Websoft's Customer Resource Center (CRC), a live technical support facility, will be available to Customer from 5:00 a.m. until 5:00 p.m. Pacific time Monday through Friday, excluding Websoft's observed holidays.

Email Support. Websoft provides an electronic mail address (help@sprbrk.com) to which Customer may submit routine or non-critical support requests. Email Support Requests will be addressed by Websoft during its regular business hours of 5:00 a.m. until 5:00 p.m. Pacific time Monday through Friday.

Online Support Materials. Websoft will make available to Customer certain archived client-side software updates and other technical information in Websoft's online support databases. This Online Support will be continuously available to Customers.

Upgrade/Downgrade of Severity Level

If, during the Support Request process, the issue either warrants assignment of a higher severity level than currently assigned or no longer warrants the severity level currently assigned based on its current impact on the production database, then the severity level will be upgraded or downgraded accordingly to the severity level that most appropriately reflects its current impact.

Third Party Product Support

If any third-party software is supplied by Websoft, Websoft disclaims all support obligations for such third-party software, unless expressly specified by Websoft in Customer's Agreement.

Exclusions

The following Support Exclusions are not covered by this Support Policy: (a) Support required due to Customer's or any End User's or third party's misuse of the Services; (b) Support during times outside of Websoft's regular business hours stated above; (c) Support necessitated by external factors outside of Websoft's reasonable control, including any force majeure event or Internet access or related problems.

Response and Resolution Goals

Websoft will respond to Customer's Support Requests in a manner appropriate for the severity of the reported issue and will use good faith efforts to achieve the goals listed below.

A. Critical Severity Level

Definition. System or application is non-functional or seriously affected and there is no reasonable workaround available (e.g., business is halted).

Response goal. Confirmation of receipt within 1 business hour. Update as information arrives or at the interval agreed with the Customer.

Resolution goal. Upon confirmation of receipt, Websoft begins continuous work on the case. Websoftwill put forth the effort to provide a workaround, fix, or estimated completion date within 72 hours after the problem has been diagnosed and/or replicated, provided there is an agency representative available to assist with issue diagnosis and testing during the resolution process.

B. High Severity Level

Definition. System or application is affected and there is no workaround available, or the workaround is impractical (e.g., system response is very slow, day to day operations continue but are impacted by the work around).

Response goal. Confirmation of receipt within 4 business hours.

Resolution goal. Websoft will put forth the effort to provide a workaround or fix or estimated completion date within 14 business days after the problem has been diagnosed and/or replicated.

C. Medium Severity Level

Definition. System or application feature is non-functional, and a convenient workaround exists (e.g., non-critical feature is unavailable or requires additional user intervention).

Response goal. Confirmation of receipt within 8 business hours.

Resolution goal. Websoft will put forth the effort to provide a workaround or fix or estimated completion date within 21 business days after the problem has been diagnosed and/or replicated.

D. Low Severity Level

Definition. System or application feature works, but there is a minor problem (e.g., incorrect label, or cosmetic defect).

Response goal. Confirmation of receipt within 24 business hours

Resolution goal. Resolution for the issue may be released as a patch set or be incorporated into a future release of the product.

II. AVAILABILITY

Service Availability:

Websoft will use commercially reasonable efforts to (a) provide bandwidth sufficient for Customer's use of the Cloud Service provided hereunder and in an applicable Order Form and (b) operate and manage the Cloud Service with a ninety-nine and one-half percent (99.5%) uptime goal (the "**Availability SLA**"), excluding situations identified as "Exclusions" below.

"Exclusions" means any outage that results from any of the following:

(a) Any maintenance performed by Websoft during Websoft's standard maintenance windows. Websoft will notify Customer within forty-eight (48) hours of any standard maintenance and within twenty-four (24) hours for other non-standard emergency maintenance (collectively referred to herein as "**Scheduled Maintenance**").

(b) Customer's information content or application programming, or the acts or omissions of Customer or its agents, including, without limitation, the following:

1. Customer's failure to provide Websoft with reasonable advance prior notice of any pending unusual large deployments of new nodes (e.g., adding over ten (10) percent total nodes in less than twenty-four (24) hours);
2. Customer's implementation of any significant configuration changes, including changes that lead to a greater than thirty percent (30%) change in a one week period or greater than fifty percent (50%) change in a one month period in the number of key objects in the system including but not limited to metrics, snapshots, nodes, events and business transactions;
3. Any misconfiguration by Customer (as determined in Websoft's sole discretion), including, without limitation, configuration errors and bad or unintended usage of the Cloud Service; and
4. Force majeure or other circumstances beyond Websoft's reasonable control that could not be avoided by its exercise of due care.

(c) Failures of the Internet backbone, telecommunications systems, ISP failures, or the network by which Customer connects to the Internet backbone or any other network unavailability.

(d) Any window of time when Customer agrees that Cloud Service availability/unavailability will not be monitored or counted.

(e) Any problems resulting from Customer combining or merging the Cloud Service with any hardware or software not supplied by Websoft or not identified by Websoft in the Specifications as being compatible with the Cloud Service.

(f) Interruptions or delays in providing the Cloud Service resulting from telecommunication or Internet service provider failures. Customer's or any third party's use of the Cloud Service in an unauthorized or unlawful manner.

Remedies for Excessive Downtime:

In the event the Availability of the Cloud Service falls below the Availability SLA in a given calendar month, Websoft will pay Customer a service credit ("**Service Credit**") equal to the percentage of the fees set forth in the table below corresponding to the actual Availability of the Cloud Service during the applicable calendar month. Websoft will apply any Service Credits only against future Cloud Service payments otherwise due from Customer. Service Credits will not entitle Customer to any refund or other payment from Websoft. Service Credits may not be transferred or applied to any other account. Unless otherwise provided in this Agreement, Customer's sole and exclusive remedy for any unavailability, non-performance, or other failure by Websoft to provide the Cloud Service is the receipt of a Service Credit (if eligible) in accordance with the terms of this Exhibit A.

System availability is measured by the following formula: x = (n - y) *100 / n

Notes:

(1) "x" is the uptime percentage; "n" is the total number of hours in the given calendar month minus Exclusions; and "y" is the total number of downtime hours in the given calendar month not caused by an Exclusion.

Service Availability	Percentage of Monthly Service Fees Credited
>99.5%	0%
95.0% - < 99.5%	5% (max of $280)
90.0% - < 95.0%	10% (max of $560)
80.0% - < 90.0%	20% (max $840)
70.0% - < 80.0%	30% (max of $1,120)
60.0% - < 70.0%	40% (max of $1,400)
< 50%	50% (max of $2,800)

Customer Account Login:

For Websoft user interface access, Websoft uses TLS 1.2 with AES 256 bit or similar encryption for protection of data in transit, which is supported by most modern browsers. Websoft will also restrict applicable administrative user interface access to Customer corporate networks for additional security on written request by Customer.

Hosting:

Websoft's SaaS platform (servers, infrastructure, and storage) for the Cloud Service is and will remain hosted in one of the largest data centers in North America, specifically designed and constructed to deliver world- class physical security, power availability, infrastructure flexibility and growth capacity. Websoft's data center provider is and will remain SSAE 18 SOC2 compliant, meaning it has been fully independently audited to verify the validity and functionality of its control activities and processes. Every Server for the Services is and will remain operated in a fully redundant fail-over pair to ensure high availability. Data is and will remain backed up nightly, stored redundantly and will be restored rapidly in case of failure.

Security Patching and updates are actively evaluated by engineers and will be deployed based upon

the impact and risk and stability benefits they offer to Websoft's SaaS platform and Customers.

Websoft will attempt to provide customers reasonable prior notice to security changes, updates, and patches, unless the delay will lead to a significant risk of impact to customer data.

Fees:
Maintenance and Support Services, as described herein, are included in the Cloud Service Subscription for no additional fees, except as follows:

Websoft will bill Customer on an hourly basis for the following services that are beyond the scope of standard Maintenance and Support Services;

(a) Maintenance or Support in cases where repeated operator-produced error by the same user continues to occur despite notification to Customer;

(b) Maintenance and Support associated with applications not purchased by Customer from Websoft, as documented in an appropriate Order Form or Statement of Work;

(c) Maintenance and Support outside the scope of this Agreement;

(d) Maintenance and Support necessitated by Customer's failure to provide adequate internal controls to ensure the accuracy and appropriate use of the Cloud Software or Cloud Service and compliance with local, state and federal regulations and auditors requirements;

(e) Costs associated with Customer's creation or modification of data in Websoft's database except through the appropriate use of the Cloud Software or Cloud Service;

(f) Costs associated with Customer's own actions to integrate the Cloud Software or Cloud Service with applications or services not purchased from Websoft;

(g) Costs associated with Customer's failure to meet the terms and conditions of this Agreement;

(h) Costs associated with additional labor or out of pocket expenses incurred while providing support to Customer in cases where Websoft has requested but Customer has denied remote access into a user workstation or the server housing the Cloud Software; and

(i) Labor and travel costs associated with providing on-site for services covered by this Agreement.

WEBSOFT DEVELOPERS, INC
PROFESSIONAL SERVICES AGREEMENT
TERMS AND CONDITIONS

These Terms and Conditions, together with each Order Form entered into by the Parties that references such Terms and Conditions, constitute a binding agreement ("**Agreement**") by and between Websoft Developers, Inc. ("**Websoft**") and the Customer identified on the Order Form ("**Customer**"). These Terms and Conditions become effective as of the date of the related Order Form. Each of Websoft and Customer is referred to herein individually as a "**Party**" and collectively as the "**Parties**."

The Agreement governs the provision by Websoft, and the receipt by Customer, of the Professional Services (defined below) that Websoft provides to Customer.

1. SCOPE OF SERVICES.

(a) Subject to compliance with the terms and conditions of the Agreement, Websoft will provide Customer with certain skilled services, such as software implementation, configuration, conversion, customization, upgrade, data extraction, diagnostic, training and/or other services (collectively "**Professional Services**") as specified in the applicable order form executed by Websoft and Customer (each an "**Order Form**"). Any such Order Form must reference these Terms and Conditions.

(b) Each Order Form, or will include, at a minimum: (i) a description of the Professional Services and any deliverables and/or materials to be provided to Customer (each, a "**Deliverable**"); (ii) applicable fees and payment terms for such Professional Services, if not elsewhere specified, and (iii) other details regarding the Professional Services. All Order Forms will be subject to these Terms and Conditions.

(c) For certain types of Professional Services, Websoft will prepare and make available to Customer a scope of work or cloud migration project packet before commencing such services.

(d) Customer acknowledges that data conversion services are limited to three (3) years of data.

2. CHANGE ORDERS.

If the Customer or Websoft requests a change in any of the specifications, requirements, Deliverables, or scope (including drawings and designs) of the Professional Services described in any Order Form, the Party seeking the change will propose the applicable changes by written notice.

Within a reasonable amount of time (not to exceed four (4) business days in the case of implementation services) after receipt of written notice, each Party's designated personnel will meet, either in person or via telephone conference, to discuss and agree upon any proposed changes. Thereafter, Websoft will prepare a change order describing the proposed changes and any associated changes in the Deliverables, Deliverable schedule, fees and/or expenses, or other aspects of the change (each, a "Change Order").

Change Orders will not be binding until they are executed by both parties. Executed Change Orders will be deemed part of, and subject to, the Agreement. If the parties disagree about the proposed changes, they will promptly escalate the change request to their respective senior management for resolution.

In the event the Customer requires significant changes (either individually or cumulatively across Change Order(s)) which Websoft reasonably determines are (i) a material modification of the nature or scope of Professional Services being purchased and/or (ii) significantly outside any Supported Configuration (as defined below), Websoft may, upon no less than thirty (30) days' notice to the Customer, suspend or terminate the applicable Order Form and/or Change Order(s). In the event of any such termination or suspension, the parties will work together in finalizing agreed-upon Deliverables. Unless otherwise expressly agreed to by the Parties at the time of any such material change, Websoft will not be deemed to have waived any of the Customer's payment obligations in respect of completed Deliverables. A "Supported Configuration" means a software configuration that can be consistently supported by Websoft via APIs, does not require direct database changes and is capable of being tested and maintained by Websoft.

3. ACCEPTANCE.

(a) Acceptance. Unless indicated to the contrary in the Order Form, the Professional Services and accompanying Deliverables will be deemed accepted upon delivery.

(b) Review. Review and testing of Deliverables, if so indicated in the Order Form, shall be conducted pursuant to the acceptance criteria or test plans mutually agreed upon in writing by the Parties and shall take place within the mutually agreed timeframes established in the project plan or schedule. Absent mutual agreement to the contrary, Customer will provide Websoft with written notification of acceptance or rejection for each Deliverable within five (5) business days of delivery (the "**Acceptance Period**"). Failure to reject a Deliverable within the Acceptance Period will be deemed acceptance. If Customer, in its reasonable and good faith judgment, determines that any submitted Deliverable does not satisfy mutually agreed-upon acceptance criteria, Customer must so notify Websoft in writing before the end of the Acceptance Period, specifying the deficiencies in detail. Websoft will use commercially reasonable efforts to correct such deficiencies and resubmit the Deliverable to Customer as soon as practicable.

4. OWNERSHIP RIGHTS AND LICENSES.

(a) License for Deliverables. Subject to these Terms and Conditions and upon payment of fees due under an applicable Order Form, Websoft grants Customer a limited, non-exclusive, worldwide, nontransferable, terminable license to use the Deliverables solely for Customer's internal operations in connection with authorized use of the applicable Websoft services. Notwithstanding any other provision of these terms and conditions, nothing herein is intended to assign or transfer any intellectual property rights in the proprietary tools, libraries, know-how, techniques, and expertise ("**Tools**") used by Websoft to develop the Deliverables and/or provide the Professional Services.

(b) Proprietary Rights. As between the parties, Websoft shall solely and exclusively own all right, title, and interest in the Professional Services, Deliverables, and any software provided by Websoft, including all modifications, enhancements, and derivative works thereof and any other of

Websoft's products or services, whether created by Websoft or Customer, together with all intellectual property and other proprietary rights therein. Customer hereby makes all assignments necessary to accomplish the foregoing ownership. None of the Professional Services or Deliverables will be deemed to constitute work product or work-for-hire inuring to the benefit of Customer.

(c) No Reverse Engineering. Deliverables constitute Websoft Confidential Information and Customer may not reverse engineer, decompile, disassemble, translate, copy, reproduce, display, publish, create derivative works of, assign, sell, lease, rent, license or grant any interest in the Deliverables to any party except as expressly permitted by Websoft.

(d) Conflicting Language. In the event any language conflicting with this Section 4 is added to any Order Form or Change Order, the parties expressly agree that such statement will have no effect on Websoft's rights as set out herein.

5. COOPERATION.

(a) Customer Cooperation. Websoft's ability to successfully perform the Professional Services is dependent upon Customer's reasonable and good faith cooperation by, without limitation: (i) allocating sufficient resources and timely performing any tasks reasonably necessary to enable Websoft to perform its obligations under each Order Form; (ii) timely delivering any materials and other obligations required under each Order Form; (iii) providing Websoft with access to Customer's sites and facilities during Customer's normal business hours and as otherwise reasonably required by Websoft to perform the Professional Services; (iv) timely responding to Websoft's inquiries related to the Professional Services; (v) assigning a project manager as a primary point of contact for Websoft; (vi) actively participating in scheduled project meetings; and (vii) providing, in a timely manner and at no charge to Websoft, office workspace, telephone and other facilities, suitably configured computer equipment, access to Customer's appropriate and knowledgeable employees and continuous administrative access to Customer's accounts, and coordination of onsite and telephonic meetings all as reasonably required by Websoft.

(b) Customer Delays. Delays in Websoft's provision of the Professional Services caused by Customer (each, a "Delay"), during any implementation period may have adverse collateral effects on Websoft's overall work schedule. If Websoft's performance of any of its obligations in respect of the Professional Services is prevented or delayed by any act or omission by Customer, or failure by Customer to perform any of its obligations hereunder the Agreement, such as those identified in subsection (a) above:

- Websoft shall, without limiting its other rights or remedies, have the right to suspend performance of the Professional Services and relieve it from the performance of any of its obligations until Customer remedies the Delay.

- Although Websoft will use its commercially reasonable efforts to promptly resume work following a Delay, Customer acknowledges that schedules for the Professional Services may be delayed by more than the number of days delayed by Customer.

- Customer agrees that if additional time is required to complete the Professional Services as the result of Customer Delays, such time will be charged to Customer at Websoft's then-current time-and-materials rates.

(c) Customer Postponements. If Customer wishes to postpone or fails to be available for a scheduled meeting, training session or other activity, it shall provide Websoft with no less than two (2) business days' written notice of such postponement or non-availability. If Customer fails to provide such notice in the required time period, Websoft's shall invoice the Customer for lost or delayed scheduled time, with a minimum charge of two (2) hours. Additional charges may apply based on the resources and preparation required for the meeting. Such liability will be in addition to the charge for the services at the time they are performed.

6. PAYMENT TERMS.

(a) Invoicing and Payment. Customer will be invoiced for the amounts and at the times set forth in the Order Form. Professional Services fees are due and payable within thirty (30) days of the invoice date.

(b) Billing Info & Overdue Charges. Customer is responsible for keeping Websoft accurately and fully informed of Customer's billing and contact information, including providing any purchase order numbers in advance of invoice issuance. If any Professional Service fees are not received from Customer by the due date, they will accrue interest at the rate of one and a half percent (1.5%) of the outstanding balance per month, or the maximum rate permitted by law, whichever is lower.

(c) Overdue Payments. If any amount owing by Customer hereunder for any of the Professional Services is thirty (30) or more days overdue, Websoft may, without limiting its other rights and remedies, accelerate Customer's other unpaid fee obligations, if any, hereunder (including any Order Form) so that all such obligations become immediately due and payable, suspend the Professional Services and/or stop performance of the Professional Services until such amounts are paid in full.

(d) Taxes. Professional Services fees do not include any taxes, levies, duties, or similar governmental assessments of any nature, including but not limited to value-added, sales, use or withholding taxes, assessable by any local, state, provincial, federal, or foreign jurisdiction (collectively, "**Taxes**"). Customer is responsible for paying all Taxes. If Websoft has the legal obligation to pay or collect Taxes for which Customer is responsible under this paragraph, the appropriate amount will be invoiced to and paid by Customer, unless Customer provides Websoft with a valid tax exemption certificate authorized by the appropriate taxing authority prior to invoice issuance. For clarity, Websoft is solely responsible for taxes assessable against it based on Websoft's income, property, and employees.

7. WARRANTY.

Websoft warrants that the Professional Services will be performed for and delivered to Customer in a good, diligent, workmanlike manner, consistent with the practices and standards of care generally accepted within and expected of Websoft's industry. For any breach of the above warranty, Customer's sole remedy will be the re-performance of the applicable Professional Services by Websoft. This warranty will be in effect for a period of ninety (90) days from acceptance of any Professional Services.

8. DISCLAIMER.

Section 7 sets forth the sole and exclusive warranties and remedies related to the Professional Services, Deliverables and Tools performed or provided hereunder. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EXCEPT AS EXPRESSLY PROVIDED HEREIN, WEBSOFT DOES NOT MAKE ANY WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND WEBSOFT SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTIES ARISING OUT OF COURSE OF DEALING OR USAGE OF TRADE. EXCEPT AS PROVIDED HEREIN, THE PROFESSIONAL SERVICES AND DELIVERABLES PROVIDED TO CUSTOMER ARE ON AN "AS IS" AND "AS AVAILABLE" BASIS.

9. TERM AND TERMINATION.

(a) Term. The Agreement commences on the date of last signature on the first Order Form issued hereunder ("**Effective Date**") and will remain in effect until terminated in accordance with this section (the "**Term**"). Each Order Form will commence on the date it is last signed and will expire upon completion of the project set forth in the applicable Order Form.

(b) Cancellation. Once signed by both parties, an Order Form will be non-cancellable, except as otherwise explicitly stated in such Order Form.

(c) Termination. This Agreement will terminate automatically when any agreement for Cloud Services to which this Agreement is related and/or all Order Forms referencing this Agreement are terminated or expired. Either Party may terminate this Agreement for cause: (i) upon thirty (30) days' notice to the other party of a material breach if such breach remains uncured at the expiration of such period, or (ii) if the other Party becomes the subject of a petition in bankruptcy or any other proceeding relating to insolvency, receivership, liquidation or assignment for the benefit of creditors.

(d) Effect of Termination. For the avoidance of doubt, termination under any of the foregoing subsections will not affect Customer's outstanding payment obligations to Websoft in respect of Professional Services and Deliverables provided prior to such termination. Upon any termination of this Agreement, Customer will have no rights to continue receipt of any on-going or additional Professional Services, whether or not such Professional Services are completed prior to such termination.

(e) Survival. All fees that have accrued as of such expiration or termination, and Sections 1, 5, 8, 9-12, 13(c), 14(d), 15, 16 and 17 will survive any expiration or termination hereof.

10. CONFIDENTIALITY.

(a) Confidentiality Term. The obligations described in this Section commence on the Effective Date and will continue until two (2) years following any termination or expiration of this Agreement ("**Confidentiality Term**").

(b) Definitions. "**Disclosing Party**" and "**Recipient**" refer respectively to the party which discloses information and the party to which information is disclosed in a given exchange. "**Confidential Information**" means all disclosed information relating in whole or in part to non-public data, proprietary data compilations, computer source codes, compiled or object codes, scripted programming statements, byte codes or data codes, entity-relation or workflow diagrams, financial records or information, client records or information, organizational or personnel information, business plans, or works-in-progress, even where such works, when completed, would not necessarily comprise Confidential Information. The foregoing listing is not intended by the Parties to be comprehensive, and any information which Disclosing Party marks or otherwise designates as "Confidential" or "Proprietary" will be deemed and treated as Confidential Information, as will information that would reasonably be considered to be confidential given its nature and the circumstances under which it is disclosed. Information which qualifies as Confidential Information may be presented to Recipient in oral, written, graphic, and/or machine-readable formats. Regardless of presentation format, such information will be deemed and treated as Confidential Information.

(c) Confidentiality Obligations. During the Confidentiality Term (as defined below) and subject to the other terms of this Agreement (including Websoft's Privacy Policy, accessible at https://sprbrk.box.com/v/sprbrk-privacy-policy, which URL and its content may be updated from time to time by Websoft), Recipient will protect the confidentiality of Confidential Information using the same degree of care that it uses to protect its own information of similar importance, but will in any case use no less than a reasonable degree of care to protect Confidential Information. Recipient will not directly or indirectly disclose Confidential Information or any part thereof to any third party without Disclosing Party's advance express written authorization to do so. Recipient may disclose Confidential Information only to its employees, contractors, or advisors on a need-to-know basis and who are bound by confidentiality and non-use restrictions at least as stringent as those contained herein. In responding to a request for Confidential Information, Recipient will cooperate with Disclosing Party, in a timely fashion and in a manner consistent with applicable laws, to protect the Confidential Information to the fullest extent possible.

(d) Legally Compelled Information. In the event the Recipient becomes legally compelled (by deposition, interrogatory, requests for documents, subpoena, civil investigative demand or similar process) to disclose any Confidential Information, or the Recipient determines that it is obligated by law, rule, statute or governmental regulation to disclose any of the Confidential Information, the Recipient shall provide the Disclosing Party with prompt written notice of such requirement so that the Disclosing Party, if possible, may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Agreement. In the event that such protective order or other remedy is not obtained, the Recipient agrees to furnish only that portion of the Confidential Information that it is legally required to furnish and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such

Confidential Information. A Party's obligations hereunder with respect to legally compelled information shall continue to be applicable for all other purposes.

(e) Publicity. During the Term of this Agreement, including the term of any amendment hereto, Websoft may publicly disclose its ongoing business relationship with Customer. Such disclosures may indicate Customer's identity and the Websoft Services provided or contracted to be provided to Customer. These disclosures may include press releases or other communications to media, display on Websoft web sites, or use in other marketing activities, but will not include non-public information or indicate Customer's express endorsement of Websoft's products or services without Customer's prior written authorization.

(f) Customer's Confidential Information. Websoft will have the right to use any Customer Confidential Information solely for providing the Professional Services to Customer hereunder. Notwithstanding the foregoing, Websoft may use aggregate Customer Confidential Information for Websoft development, internal training, and other reasonable business purposes not specific to Customer or its End Users.

11. LIMITATION OF LIABILITY.

(a) Waiver of Consequential Damages. Neither Websoft nor any other person or entity involved in creating, producing, or delivering the Professional Services, including any Deliverables, will be liable for any indirect, incidental, special, punitive, exemplary or consequential damages, including lost profits, loss of data or loss of goodwill, loss of revenue, service interruption, computer damage or system failure or the cost of substitute products or services, or other commercial or economic loss of any kind whatsoever, or any liability of Customer to a third party, arising out of or in connection with this Agreement or from the use of or inability to use the Professional Services, whether based on warranty, contract, tort (including negligence), product liability or any other legal theory, even if Websoft was advised of the possibility of such damages. Some jurisdictions do not allow the exclusion or limitation of incidental, consequential or special damages, so the above limitations may not apply to Customer.

(b) In no event will Websoft's aggregate liability hereunder to Customer or any third party arising out of or in connection with this Agreement or from the use of or inability to use the Professional Services, whether in contract, tort or under any other theory of liability, exceed the total amount paid by Customer in the twelve (12) month period preceding the incident. These limitations shall apply notwithstanding any failure of essential purpose of any remedy.

12. GENERAL.

(a) Notice. Except as otherwise specified in this Agreement, all notices, permissions and approvals hereunder must be in writing and will be deemed to have been given upon: (i) personal delivery, (ii) the third business day after mailing by first class mail, or (iii) sending by confirmed email if sent during the recipient's normal business hours (or, if not, then on the next business day). Notices will be sent to the address specified by the recipient in writing when entering into this Agreement or establishing Customer's account for the Professional Services (or such other address as the recipient may thereafter specify by notice given in accordance with this Section 12(a)). Customer's email address for communication and notice purposes relating to this

Agreement will be set forth on the Order Form (or subsequent email addresses as advised by Customer). Customer agrees to accept emails from Websoft at the e-mail address specified in the Order Form.

(b) Compliance with Laws. Each party will comply with all applicable laws and regulations with respect to its activities under this Agreement including, but not limited to, the export laws and regulations of the United States and other applicable jurisdictions.

(c) Relationship of Parties. Websoft's relationship with Customer pursuant to this Agreement will be that of an independent contractor. Neither party will have any authority to bind the other, to assume or create any obligation, to enter into any agreements, or to make any warranties or representations on behalf of the other. Nothing in this Agreement will be deemed to create any agency, partnership, or joint venture relationship between the parties.

(d) Use of Contractors. Websoft reserves the right to use third parties (who are under a covenant of confidentiality with Websoft), including, but not limited to, offshore subcontractors to assist with the Professional Services, including, without limitation, any data migration, configuration, implementation, and custom code development processes.

(e) Waiver and Cumulative Remedies. No failure or delay by either party in exercising any right under this Agreement will constitute a waiver of that right. Other than as expressly stated herein, the remedies provided herein are in addition to, and not exclusive of, any other remedies of a party at law or in equity.

(f) Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision will be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement will remain in effect.

(g) Assignment. Customer may not assign or transfer this Agreement or any Order Form hereunder, whether by operation of law or otherwise, without the prior written consent of Websoft. Any attempted assignment or transfer, without such consent, will be void. Subject to the foregoing, this Agreement will bind and inure to the benefit of the parties, their respective successors and permitted assigns.

(h) Force Majeure. Websoftwill not be liable for any delay or failure to perform under this Agreement to the extent such delay or failure results from circumstances or causes beyond the reasonable control of Websoft.

(i) Dispute Resolution This Agreement is governed by the laws of the State of Utah without regard for its conflict of laws principles. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, will be settled by arbitration administered by the American Arbitration Association under its Commercial Arbitration Rules, including the Emergency Interim Relief Procedures, and judgment on the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The number of arbitrators shall be one (1) unless the Parties mutually agree otherwise. The place of arbitration will be the State of Utah. Either party may

apply to the arbitrator for injunctive relief until the arbitration award is rendered or the controversy is otherwise resolved. Either Party also may, without waiving any remedy hereunder, seek from any court having jurisdiction any interim or provisional relief that is necessary to protect the rights or property of that party, pending the arbitrator's determination of the merits of the controversy. Each party will initially bear its own expenses and an equal share of the costs of the arbitration, but the prevailing party may be awarded its expenses, reasonable attorneys' fees, and costs.

(j) Entire Agreement. This Agreement constitutes the entire agreement between the Parties concerning its subject matter and supersedes all prior communications, agreements, proposals, or representations, written or oral, concerning its subject matter. Notwithstanding any language to the contrary therein, no additional or conflicting terms or conditions stated in any master agreement to which this Agreement is incorporated, any Customer Order Form or other order documentation, will be incorporated into or form any part of this Agreement unless expressly agreed to by both parties in a mutually signed writing, and all such terms or conditions will be null. Under no circumstances will the terms, conditions or provisions of any RFP, purchase order, invoice or administrative document issued by Customer in connection with this Agreement be deemed to modify, alter, or expand this Agreement, regardless of any failure of Websoft to object to such terms, provisions, or conditions. No other act, document, usage, custom or waiver will be deemed to amend or modify this Agreement unless agreed to in writing signed by a duly authorized representative of both parties.

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 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 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 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. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING INTERIM CITY MANAGER TO EXECUTE THREE-YEAR PROFESSIONAL SERVICES AGREEMENT WITH WEBSOFT DEVELOPERS, INC., OF DAVIS, FOR PUBLIC WORKS ASSET MANAGEMENT SOFTWARE

==========

WHEREAS, Public Works Municipal Utilities Services uses a Computer Maintenance Management System (CMMS) to manage preventative maintenance, work orders, labor, and costs; and

WHERAS, following a competitive selection process in 2023, the City awarded a three-year contract to Websoft Developers, Inc., for its MobileMMS CMMS program, which is now used by Water, Wastewater, Streets, and Facilities divisions; and

WHERAS the new agreement includes $19,000 in implementation costs for the White Slough and Surface Water Treatment Facilities, and annual subscription fees over a three-year term with a 7.5% increase in years 2 and 3; and

WHEREAS, staff recommends authorizing the City Manager to execute a 3-year Professional Services Agreement with Websoft Developers, Inc., in the amount of $233,697.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Interim City Manager to execute a 3-year Professional Services Agreement with Websoft Developers, Inc., of Davis, in the amount of $233,697; and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Approve Plans and Specifications and Authorize Advertisement for Bids for 2026 Pavement Resurfacing Project, and Adopt a Resolution Authorizing Interim City Manager to Award Contract to Lowest Responsive Bidder, Execute Change Orders ($1,800,000 Combined) and Appropriate Funds ($1,800,000) (PW)

MEETING DATE:
May 20, 2026

PREPARED BY:
Interim Public Works Director

RECOMMENDED ACTION:
Approve Plans and Specifications and Authorize Advertisement for Bids for 2026 Pavement Resurfacing Project, and Adopt a Resolution Authorizing Interim City Manager to Award Contract to Lowest Responsive Bidder, Execute Change Orders ($1,800,000 Combined) and Appropriate Funds ($1,800,000).

BACKGROUND INFORMATION:
On June 18, 2025, Council adopted Resolution No. 2025-101, approving this project as the recipient of the Road Repair and Accountability Act of 2017, Senate Bill 1 (SB1) funding for the 2025/2026 Fiscal Year.

This pavement resurfacing project includes the application of rubberized asphalt cape seal and fiberized slurry seal. The project limits will include various streets throughout the City, as shown on Exhibit A.

The rubberized asphalt cape seal is a two-layer system of a rubberized chip seal on the bottom, with a fiberized slurry seal (slurry seal with strands of glass fiber added) on top. The rubberized cape seal will be applied to streets with more surface defects, while only one layer of fiberized slurry seal will be applied to those streets with fewer surface defects.

The Public Works engineering staff has a standard process for selecting which streets are to be included in each year's resurfacing project. The process utilizes a list of streets that has been developed over the past 10 years, which is based on resident complaints and staff observations. Staff also utilizes our pavement management software to identify streets that appear to be good candidates for the resurfacing. All of those streets are then inspected by the engineering staff and are rated (compared to the other streets on the list). The worst rated streets/areas are included in that year's resurfacing project. The streets that are not included remain on the list (indefinitely) to be reviewed each year.

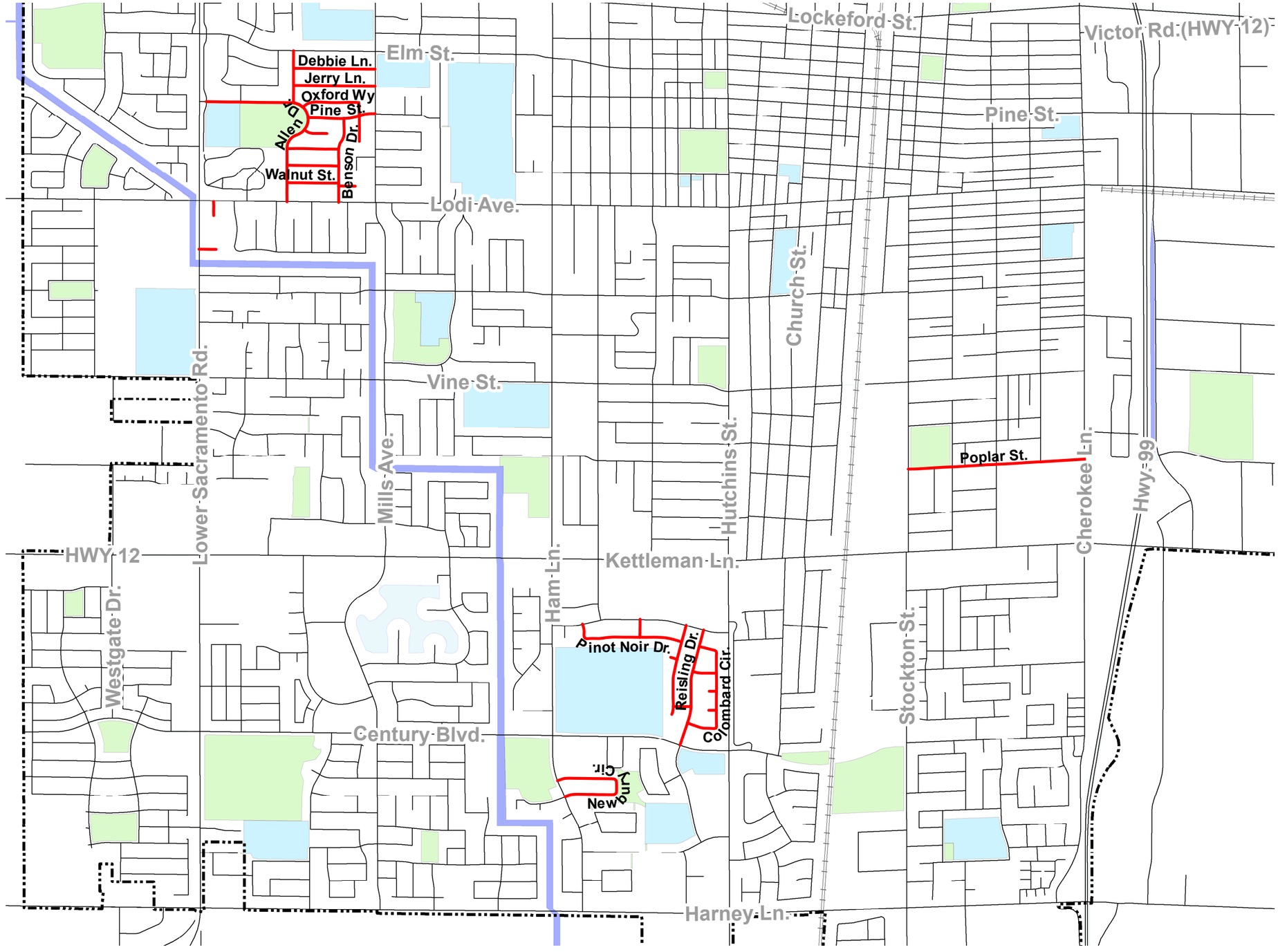
The specifications are on file in the Public Works Department. The planned bid opening date is June 10, 2026. The contract estimate is $1,800,000.

FISCAL IMPACT:
By increasing the crack sealing effort, the useful life of City streets will be extended.

FUNDING AVAILABLE:
Requested Appropriation Fiscal Year 2025/26:

Senate Bill 1 Gas Tax (30499000.77020)	$ 1,800,000

EXHIBIT A - 2025/26 Pavement Resurfacing Project Street Selection



Capital Improvement Plan

FY 2025-2026

Project Title:	2026 Pavement Resurfacing		Munis Project Code:		CIP List Proj #
Section I: Description	District Nos:	1,3,4,5	Project Length		Priority
Rubberized asphalt cape seal and fiberized slurry seal on various streets					
Justification/factor driving project					
Additional Information					

Section II: Estimated Project Costs

Expenditure	Prior Years	FY 24/25 Estimate	FY 25/26 Budget	FY 26/27	FY 27/28	FY 28/29	FY 29/30	Future Yrs	Total
Contracts	$ -		$ 1,800,000						$ 1,800,000
	$ -								$ -
	$ -								$ -
	$ -								$ -
	$ -								$ -
Total Capital Costs	$ -	$ -	$ 1,800,000	$ -	$ -	$ -	$ -	$ -	$ 1,800,000

Section III: Funding Sources/Methods of Financing

Funding Source(s)	Prior Years	FY 24/25 Estimate	FY 25/26 Budget	FY 25/26	FY 26/27	FY 27/28	FY 29/30	Future Yrs	Total
304 - Gas Tax 2031	$ -		$ 1,800,000						$ 1,800,000
	$ -								$ -
	$ -								$ -
	$ -								$ -
Total Project Financing	$ -	$ -	$ 1,800,000	$ -	$ -	$ -	$ -	$ -	$ 1,800,000

RESOLUTION NO. 2026-____

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING INTERIM CITY MANAGER TO AWARD CONTRACT TO LOWEST RESPONSIVE BIDDER FOR 2026 PAVEMENT RESURFACING PROJECT, EXECUTE CHANGE ORDERS, AND APPROPRIATE FUNDS

==========

WHEREAS, the 2026 Pavement Resurfacing Project includes rubberized asphalt cape seal and fiberized slurry seal on various streets throughout the City, as shown on Exhibit A; and

WHEREAS, the project is funded through the Road Repair and Accountability Act of 2017 (SB 1) for Fiscal Year 2025/26, and the contract estimate is $1,800,000; and

WHEREAS, staff recommends authorizing the Interim City Manager to award the contract to the lowest responsive bidder, execute change orders, and appropriate project funds in the amount of $1,800,000.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Interim City Manager to award the contract to the lowest responsive bidder and execute change orders, for a total combined amount of $1,800,000, for the 2026 Pavement Resurfacing Project, and appropriate project funds in the amount of $1,800,000 from Senate Bill 1 Gas Tax (30499000.77020); and

BE IT FURTHER RESOLVED, pursuant to Section 6.3q of the City Council Protocol Manual (adopted 11/6/19, Resolution No. 2019-223), the City Attorney is hereby authorized to make minor revisions to the above-referenced document(s) that do not alter the compensation or term, and to make clerical corrections as necessary.

Dated: May 20, 2026

==========

I hereby certify that Resolution No. 2026-____ was passed and adopted by the City Council of the City of Lodi in a regular meeting held May 20, 2026, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED
City Clerk

2026-_____

COUNCIL COMMUNICATION

AGENDA TITLE:
Post for Vacancies and an Expiring Terms on the Greater Lodi Area Youth Commission (CLK)

MEETING DATE:
May 20, 2026

PREPARED BY:
Olivia Nashed, City Clerk

RECOMMENDED ACTION:
Post for Vacancies and an Expiring Terms on the Greater Lodi Area Youth Commission.

BACKGROUND INFORMATION:
There are three current and three upcoming vacancies on the Greater Lodi Area Youth Commission. It is recommended that the City Council direct the City Clerk to post for these vacancies until filled.

Government Code Section 54970 et seq. requires that the City Clerk post for vacancies to allow citizens interested in serving to submit an application.

POSTINGS:

Greater Lodi Area Youth Commission - Student Advisors

Current Vacancies due to Graduations:

Ansley Chen	Current term to expire June 1, 2027
Scott Spencer	Current term to expire June 1, 2027
Kaitlyn Armknecht	Current term to expire June 1, 2026

Expiring Terms:

Maisie McCosker	Current term to expire June 1, 2026
Gavin Moran	Current term to expire June 1, 2026
Katherine LeStrange	Current term to expire June 1, 2026

Greater Lodi Area Youth Commissioners are appointed for two-year terms. Vacancies due to graduations prior to the end of the term will be filled for the duration of that term.

Greater Lodi Area Youth Commission - Adult Advisors

Expiring Term:

Molly R. Wahl	Current term to expire June 1, 2026

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

COUNCIL COMMUNICATION

AGENDA TITLE:
Set a Public Hearing for June 3, 2026, to Consider Adopting a Resolution Approving the Draft 2026-2027 Annual Action Plan for the Community Development Block Grant Program (CDBG) (CD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Jennifer Rhyne, Neighborhood Services Manager

RECOMMENDED ACTION:
Set a public hearing for June 3, 2026 to consider adopting a resolution approving the draft 2026-2027 Annual Action Plan for the Community Development Block Grant Program (CDBG).

BACKGROUND INFORMATION:
A public hearing is required as part of the federal requirements under the U.S. Department of Housing and Urban Development (HUD) for the Community Development Block Grant (CDBG) program.

The 2026-2027 Annual Action Plan presents a detailed description of each activity proposed for the next CDBG program year, as well as the City's CDBG budget and goals for that year.

Funding Allocation
HUD has released the amount of CDBG awards for the 2026-27 program year. The City will receive $665,263. The City has a guideline of allocating 40 percent of the annual CDBG award to community-based organizations (CBOs), with the remainder going to City projects. There is a 15 percent public service cap on the overall annual allocation.

The Draft Annual Action Plan is available for public review and comment for 30-days and will be brought back for final approval on June 3, 2026.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

COUNCIL COMMUNICATION

AGENDA TITLE:
Set a Public Hearing for June 3, 2026 to Consider a Resolution Adopting the Downtown Specific Plan (CD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Cynthia Marsh, Interim Community Development Director

RECOMMENDED ACTION:
Set a public hearing for June 3, 2026 to consider a resolution adopting the Downtown Specific Plan.

BACKGROUND INFORMATION:
The Downtown Specific Plan (DTSP) is a long-range planning and implementation document intended to guide future land use, development, circulation, infrastructure, and investment within Downtown Lodi, including the recently expanded Downtown Mixed Use area east of the railroad tracks to and including Main Street.

The DTSP process began in October 2024 and has included extensive public outreach, stakeholder engagement, technical analysis, and multiple public presentations before the City Council, Planning Commission, Steering Committee, community groups, and downtown stakeholders. The DTSP is scheduled to be heard by the Planning Commission on May 13, 2026, with the City Council public hearing scheduled for June 3, 2026 to consider adoption of a resolution approving the Downtown Specific Plan and associated environmental review documents. The plan documents are available for public review at PlanLodi.com.

FISCAL IMPACT:
Not applicable.

FUNDING AVAILABLE:
Not applicable.

COUNCIL COMMUNICATION

AGENDA TITLE:
Set a Public Hearing for June 3, 2026, to Conduct the Annual Review of Ordinance 2001, Lodi Municipal Code Chapter 2.26, and Consider Adopting a Resolution Approving the Annual Review and Report of the Military Equipment Use Policy (PD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Andrea Morales, Administrative Assistant

RECOMMENDED ACTION:
Set a Public Hearing for June 3, 2026, to Conduct the Annual Review of Ordinance 2001, Lodi Municipal Code Chapter 2.26, and Consider Adopting a Resolution Approving the Annual Review and Report of the Military Equipment Use Policy.

BACKGROUND INFORMATION:
On September 30, 2021, the California Legislature adopted Assembly Bill 481 ("AB 481"), which requires law enforcement agencies to submit to the governing body an annual military equipment report for each type of military equipment approved by the governing body within one year of approval and annually thereafter for as long as the military equipment is available for use.

The Lodi Police Department ("LPD") is a law enforcement agency subject to AB 481. As defined by law, LPD currently uses military equipment in its operations and has compiled a list of military equipment used by the Department in an Annual Military Equipment Report ("Report") for public review and City Council consideration. This Report should be reviewed in accordance with LMC 2.26.020(a)(1)-(4).

Pursuant to AB 481, the Report must be posted to LPD's website 30 days prior to the first hearing. The Report has been posted to LPD's website since April 13, 2026, at: <https://www.lodi.gov/1132/Military-Equipment-Policy>. LPD requests that the Council set a public hearing for June 3, 2026, to consider accepting the inventory report in accordance with AB 481.

FISCAL IMPACT:
Not Applicable.

FUNDING AVAILABLE:
Not Applicable.

COUNCIL COMMUNICATION

AGENDA TITLE:
Receive and File City's Annual Comprehensive Financial Report for Fiscal Year 2024/25 by LSL, LLP (IS - FIN)

MEETING DATE:
May 20, 2026

PREPARED BY:
Chia Lor, Accounting Manager

RECOMMENDED ACTION:
Receive and file City's Annual Comprehensive Financial Report for Fiscal Year 2024/25 as submitted by LSL, LLP and the Financial Services Division.

BACKGROUND INFORMATION:
The City's annual financial audit provides assurance to the City Council and the public that the City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP), that internal controls are in place and functioning effectively to safeguard City assets, and that the City is in compliance with all agreements and covenants required for grant funding and debt financing.

For FY 2024/25, LSL, LLP completed the audit and issued both an "unqualified opinion" and a "qualified opinion" on the financial position of the governmental activities, business-type activities, each major enterprise fund, and the aggregate remaining fund information. Partners of LSL, LLP will be present to provide an overview of the audit results and answer any questions during the Council meeting.

The completed ACFR will be provided to federal and state oversight agencies, bond trustees, and insurance companies as part of their review and evaluation. Copies of the reports are provided to the City Council and also available to the public by contacting the Financial Services Division, on the City's website at www.lodi.gov <https://www.lodi.gov/Archive.aspx?AMID=40> and at the Lodi Public Library.

FISCAL IMPACT:
By law and good management practice, the City's financial records are audited by independent auditors to generally accepted auditing standards. Well-maintained financial records are the cornerstone by which the City fulfills its fiduciary responsibilities to the public.

FUNDING AVAILABLE:
Not applicable.

CITY OF
Lodi
CALIFORNIA

ANNUAL **COMPREHENSIVE** FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2025

CITY OF LODI, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

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CITY OF LODI, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2025

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CITY OF LODI, CALIFORNIA

Annual Comprehensive Financial Report

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INTRODUCTORY SECTION (UNAUDITED)

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CITY COUNCIL
Ramon Yepez, Mayor
Mikey Hothi, Mayor Pro Tempore
Cameron Bregman
Lisa Craig-Hensley
Alan Nakanishi

Aaron Busch
Interim City Manager
Olivia Nashed
City Clerk
John M. Luebberke
Interim City Attorney

April 30, 2026

Honorable Mayor, Members of the City Council:

I am pleased to present the City's Annual Comprehensive Financial Report (ACFR) for the fiscal year (FY) that ended June 30, 2025. State law requires that every general-purpose local government publish a complete set of audited financial statements each fiscal year. This report fulfills the fiscal year (FY) requirement ending June 30, 2025.

Management assumes full responsibility for the completeness and reliability of the information in this report, based upon a comprehensive internal control framework established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The data in this report is presented in a manner designed to fairly set forth the financial position and results of operations of the City of Lodi (the City). It contains the disclosure necessary to promote an in-depth understanding of the City's financial affairs and evaluate its financial condition.

LSL, LLP, located in Sacramento, California, has audited the City's financial statements. Based on their independent audit, LSL concluded that there was a reasonable basis for rendering a modified opinion that the City of Lodi financial statements for the fiscal year (FY) ended June 30, 2025, are fairly presented in conformity with generally accepted accounting principles. The independent auditors' report is the first item presented in the financial section of this report.

In addition to the financial audit, the City must undergo an audit of federal grant expenditures each year. That report, commonly called a Single Audit report, is issued as a separate document and is not included herein. The Single Audit report includes the Schedule of Expenditures of Federal Awards, Findings and Recommendations, and an auditor's report on the internal control structure and compliance with applicable laws and regulations.

This letter of transmittal is designed to complement the Basic Financial Statements and Management’s Discussion & Analysis (MD&A) under the provisions of Governmental Accounting Standards Board (GASB) Statement 34. It should be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors in the financial section of the ACFR.

Profile of the City of Lodi

The City of Lodi was incorporated on December 6, 1906, as a municipal corporation under the general laws of the State of California. The City of Lodi is located on the northern boundary of San Joaquin County. The City of Lodi is a General Law City. It can make and enforce ordinances and regulations concerning municipal affairs to the extent expressly permitted or implied by the California constitution or specific legislation. The City government is organized under the Council-Manager form of government. The district's voters elect the five-member City Council for overlapping four-year terms with no term limits. Each year, the Mayor and Mayor Pro-Tempore are chosen by the members of the City Council. The Mayor presides at Council meetings and acts as the City's ceremonial head; the Mayor Pro Tempore serves as Mayor in their absence. The City Manager is responsible for carrying out the policies and ordinances of the City Council, appointing department heads, and overseeing the operations of the City. The City Council appoints the City Manager, City Attorney, and City Clerk.

The City Council is responsible for adopting the budget on or before June 30 each fiscal year. The budgetary control level (the level at which expenditures cannot legally exceed the appropriated amount) is maintained at the fund level. The City Manager is responsible for preparing the budget and its implementation after adoption. The City Council can amend the budget anytime during the year. The City Manager may transfer resources within a fund. However, supplemental appropriations and budget transfers between funds and projects need approval from the City Council. During fiscal year 2024-25, the City Council and City Manager made several supplemental appropriations for operating budgets and capital projects.

The City, with 450 full-time equivalent employees, provides a wide range of services to a residential population of 67,093. These services include public protection (Police and Fire), public utility services (Electric, Water, and Wastewater), Public Works, Transit Services, Parks and Recreation, Library, Community Development, and general government (City Manager, City Clerk, City Attorney, Human Resources, Information Systems, Financial Services, and Budget and Treasury).

The City is also financially accountable for the following legally separate reporting entity, the Lodi Public Financing Authority (LPFA), which is reported within the City's financial statements as a blended component unit. Additional information on this legally separate entity can be found in the notes to the financial statements (see Note 1A).

Local Economy

The information presented in the financial statements is better understood when considered from the broader perspective of the specific environment within which the City operates.

The City of Lodi is located in California's fertile San Joaquin Valley, adjacent to State Highway Route 99, between Stockton, 10 miles to the south, and Sacramento, 35 miles to the north. The City population is estimated at approximately 67,258 and is contained in an area of 13.98 square miles. The City has grown steadily since its incorporation in 1906. Lodi's growth has been intentionally managed through the General Plan and the Growth Management Allocation Ordinance voted in by the community in 1986, capping growth to 2% annually. New housing projects have been approved, and the City has maintained growth within the maximum while adding larger retail projects in the past several years.

Lodi is surrounded by agriculture, which primarily contributes to its economy.

Tokay and other table grapes, watermelon, and other crops have all been grown in the region. The past several decades have seen dramatic growth in Lodi's wine country. Originally best known for its full-bodied Old Vine Zinfandel, many more varieties are now grown locally. 750 growers farm 100,000 acres, which provide grapes to more than 60 leading California wineries. Many boutique local wineries have prospered over the last two decades, and wine tourism has been a flourishing economy.

Lodi's industrial economy is primarily based on agriculture and related firms. Recently, manufacturing has diversified to include manufacturers of rapid molecular diagnostic systems, consumable plastics for use in research laboratories, metal fabrication, and food processing.

In addition, the City has a wide range of small businesses that contribute to its economic strength. These companies range in size from approximately 10 to 3,500 employees and produce a wide variety of products, services, and commodities.

According to the California Employment Development Department, the current labor force in Lodi is 32,600, and the unemployment rate is 6.5%, below the 7.0% in San Joaquin County. Data from the U.S. Census Bureau shows that the median household income in Lodi is $88,440, one of the lowest in San Joaquin County.

Current Economic Conditions and Outlook

Through both infill development and new growth areas in the sphere of influence, Lodi has the potential to support a variety of land uses, which could continue providing new employment opportunities and commercial services to residents of the City and the surrounding area.

To achieve this, the City Council has approved the creation of Lodi's Economic Development Strategic Plan, a comprehensive document outlining the vision, goals, strategies, and actions it will employ to help stimulate economic growth and development. This is a critical first step as the US wine industry and the Lodi American Viticultural Area continues to struggle with the impacts of shifting generational drinking habits, leading to a surplus of wine. This being exacerbated by the importation of tax credits for cheap bulk wine from overseas, blended with California wine and sold as "American wine." The local wine industry is a significant source of tourism within the City of Lodi.

MAJOR GOALS, OBJECTIVES AND PROJECTS

The City Council adopted its Strategic Vision in May of 2023, consisting of eight Strategic Imperatives that serve as focal points for City operations and resource allocation. They are collectively the City Council's vision for the future of the City.

Underlying each imperative is a "stretch goal" that serves as the ideal finish line in 10-15 years if all efforts are successful within the work plan and multiple milestones which serve as checkpoints on the way to achieving the stretch goal.

1. Downtown
   Stretch Goal: Capitalize on Lodi's mixed-use, walkable commercial downtown district
   - Implement the Downtown Specific Plan
   - Preserve downtown historic character
   - Encourage improvements that support multi-modal transportation and public safety
   - Promote the Civic Center as an integral part of the downtown
   - Adopt policies that incentivize the revitalization of buildings
2. Economic Development
   Stretch Goal: Raise the median income of Lodi residents to the top 12% to match the State of California.
   - Implement the Economic Development Strategy
   - Expand economic opportunities along the I-5 corridor
   - Grow the City through annexation
3. Fiscal Health
   Stretch Goal: Create a fiscal structure to accomplish City Council Strategic Priorities
   - Promote the City's fiscal transparency and citizens' fiscal fluency
   - Position Lodi to maintain a diversified revenue mix
   - Ensure elected leaders and staff retain focus on fiscal priorities reflected in budget policies and funded projects
   - Anticipate and advocate against unfunded mandates
   - Utilize the Pension Stabilization Reserve to reduce the financial impact of growing pension expenses
4. Housing
   Stretch Goal: Ensure every socio-economic demographic and family structure can secure quality housing within the community
   - Develop new housing opportunities with market values aligned with current Area Median Income (AMI) and standard housing/income ratios
   - Ensure continued progress towards Regional Housing Needs Assessment (RHNA) Goals
   - Require a percentage of housing in new developments to be workforce housing
   - Adopt standards and policies to promote housing for all economic levels
   - Develop policies that will promote affordable housing by design; generational housing by design; and diverse housing by design
   - Consider ways to support the existence of an adequate number of rental properties
5. Infrastructure
   Stretch Goal: Develop and maintain a robust infrastructure to support the City's growth
   - Invest in innovative infrastructure as such new hydrogen facilities near the Lodi Energy Center
   - Promote adaptive reuse of existing properties
   - Address deferred maintenance
   - Ensure capacity for future growth
   - Proactive infrastructure development to support future growth areas
   - Ensure that funding for maintenance of future development projects is sustainable and self-supporting

6. Parks
   Stretch Goal: Develop a Parks System that is a model for the State of California
   - Fully staffed to annual benchmarks
   - Expand, develop, and maintain Lodi Lake to meet or exceed community needs
   - Develop and maintain sports/recreational facilities for City and public use including, an indoor sports facility
   - Expand, develop, and maintain Hutchins Street Square (HSS) Facilities to meet or exceed community needs
   - Create a dedicated fund to improve event-based facilities to meet community needs

7. Public Safety
   Stretch Goal: Create the best-trained police and fire departments in the State of California
   - Reach and maintain full staffing
   - Build strategic regional partnerships with surrounding agencies to enhance fire and emergency response services, including construction of an outdoor public safety training facility
   - Research, develop, and/or promote advanced training programs for police and fire personnel based on or exceeding best practices for service delivery and affecting public safety outcomes
   - Ensure high levels of community involvement by public safety employees
   - Enhance programs to address strategic safety problem areas in the community, such as the unsheltered population, Fentanyl crisis, and animal services
8. Public Well-being
   Stretch Goal: Be a recognized leader in generating a happy, healthy, high quality of life for all
   - Use the Library to engage in opportunities for physical, recreational, and cultural activities
   - Partner with other public/private entities to provide outreach, education, and activities to engage diverse cultures and communities
   - Provide opportunities for access to mental health and substance abuse treatment
   - Focus on youth education and mentorship to foster positive life-choices
   - Ensure a customer centered focus in the City's delivery of services to the community

Residential Development

During fiscal year 2024-25, the City has issued 25 ADU permits, 2 Junior ADU permits, and 203 Single-family dwelling permits.

Downtown and Infill Development

Two new downtown restaurants have contributed to the district. The first is Papapavlo's which opened in October 2024 , and the second is Market Tavern which opened in December 2025.

Water Meters and Water Infrastructure

In fiscal year 2024-25 the City completed the final phase of the nine-phase water meter program. The last phase included approximately 165 multi-family parcels (5 or more units on a parcel). The final single-family water meter phase was completed in 2022, combining for over 12,000 meters installed and 28 miles of water main replaced.

In fiscal year 2024-25 the City began design on the Well 6R and Well 14 Granular Activated Carbon (GAC) project, and completed well rehabilitations at Well Sites No. 7, 9, 10C, 11R, 17. The City also began rehabilitation of Well Site No. 20.

Wastewater Projects

White Slough Water Pollution Control Facility (WSWPCF) has three projects that were in construction during the 2024-25 fiscal year: the Aeration Basin Improvements, Solids Handling System Improvements, and the new Electrical Building. The Aeration and Solids projects were completed in late 2025, and the electrical building is anticipated to be completed in 2026. The design for the Wastewater Main Rehabilitation Project Phase 11 was completed in fiscal year 2024-25, with construction anticipated to be completed in 2026.

In fiscal year 2024-25 the City completed stormwater improvements at the A-2 Basin (Kofu Park) and our Shady Acres Pump Station. Both of those projects were designed to increase storage and/or pumping capacity during a major storm event. Additionally, basin elevation markers were installed at ten different basins to provide redundancy and back-up capacity information during a major storm event. The Stormwater Trash Collection Project Phase 5 was designed in fiscal year 2024-25 and is expected to be completed in 2026.

Power Plant

On November 4, 2024, the City of Lodi issued to Enchanted Rock, LLC (ERock), a Notice of Permission to Commercially Operate the California Department of Water Resources (CDWR) owned 48-megawatt natural gas power generating plant (Peaker Plant). Located near the City of Lodi's Water Treatment Plant, the Peaker Plant operates to safeguard the state's energy system in the face of drought, wildfires, and heat waves impacting California's energy grid. The new Peaker Plant will only be used in extreme demand events to provide temporary power generation to stabilize and supplement existing grid-tied power supplies to avoid statewide and local grid failures. Lodi Electric Utility (LEU) staff completed the necessary electrical infrastructure to support these efforts, which were fully reimbursed by CDWR. The Peaker Plant is owned by CDWR and operated by ERock through June 30, 2030, after which time the City has the option to purchase the generating facility. LEU remains dedicated to providing the community with affordable, reliable energy, and this Peaker Plant will help mitigate power import constraints in Lodi during extreme weather events and local emergencies until upgrades are completed to Lodi's transmission intertie with PG&E as part of the Northern San Joaquin 230 kV Transmission Project.

FINANCIAL INFORMATION, MANAGEMENT AND CONTROL

The following sections of this report provide a detailed understanding of the city's financial position and the change in its financial position. They also briefly describe the City's financial condition, management practices, and control techniques.

Basis of Accounting

The basis of accounting refers to the policy as to when revenues, expenditures, or expenses are recognized in the financial accounts and reported in the financial statements. The City's accounting records for general government operations are maintained on a modified accrual basis. Revenues are recorded when available and measurable. Expenditures are recorded when the services or goods are received and the liability incurred. For proprietary fund types, the City uses the accrual basis of accounting. As such, the measurement focus is on operating income, financial position, and changes in financial position. Revenues are recognized when earned, and expenses are recognized when liability is incurred. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting System and Budgetary Control

In developing the City's accounting system, consideration is given to the adequacy of the internal controls. The objective of the City's internal accounting controls is to provide reasonable, but not absolute, assurance that the assets are safeguarded against loss from unauthorized use or disposition and to ensure that transactions are correctly recorded to permit the preparation of financial statements by Generally Accepted Accounting Principles. The concept of reasonable assurance recognizes that the cost of the controls should not exceed the benefits likely to be derived and that management estimates and judgments are required in evaluating these costs and benefits.

In addition, the City maintains budgetary controls. These controls aim to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The City Manager can adjust the budget if those changes do not have a significant policy impact or affect budgeted year-end fund balances.

Long-Term Financial Planning

The City has implemented a long-term financial planning practice to review the impact of current decisions on the City's General Fund. This analysis in the City's budget document includes assumptions, revenue, expenditures, and fund balance projections. In addition, a discussion of risks and opportunities needs to be modeled. The tool is a baseline projection that provides management and policymakers a view of the City's financial condition if current operations are maintained and a reasonable set of economic assumptions are made. This plan is updated periodically as new information that will materially impact the projection becomes available.

Fund Balance

The City aims to target and maintain an unassigned fund balance in the General Fund of at least 16% of revenues, working capital balances in the Water and Wastewater enterprise funds, and at least 25% of operating expenses. Based on a reserve policy adopted in November 2022, the target for the Electric enterprise fund working capital was $22.2 million for the fiscal year 2024-25. The goals allow for variations from year to year to account for economic and budgetary changes. The General Fund maintained an unassigned fund balance of $28,476,635 or 36.78% of revenues at the end of fiscal year 2024-25.

Cash Management

The City has written investment policies that address a wide range of investments. These policies describe the City's investment objectives, authority, allowable investment vehicles, maturity terms, and eligible financial institutions. They also represent the City's capital preservation and cash management objectives. As provided in the policy, investments are intended to be held until maturity, and investment terms are to be consistent with the City's cash flow needs. Investment reports are issued quarterly to the City Manager and City Council to provide detailed information regarding the City's investments and compliance with City policy and state law.

The policy has three objectives:

1. Protect principle.
2. Provide for liquidity needs.
3. Obtain the most reasonable rate of return within the first two objectives.

All investment activities are to be undertaken and judged using the Prudent Investor Standard as described within the policy.

Appropriation Limitation

Article XIII B of the Constitution of the State of California (Proposition 4) limits expenditures by state and local governments. Under the provisions of this article, City appropriations funded through tax sources may not exceed the fiscal year 1979 appropriation levels except as adjusted for increases in population and the growth in the California per capita income or non-residential assessed valuation due to new construction within the City.

Excluded from the limitation are appropriations funded through charges for services, fines and forfeitures, grants, transfers of service responsibilities between government agencies, and indebtedness incurred before fiscal year 1979. Under subsequent legislation adopted after Article XIII B, the City is required to establish and adopt its appropriations limit annually by resolution. For fiscal year 2024-25, the City's appropriations subject to limit were $61,943,960, and the appropriation limit was $147,014,606, leaving appropriations at $85,070,646 below the limit.

Debt Administration

On June 30, 2025, the City had outstanding Certificates of Participation, Revenue Bonds, and Installment Purchase Agreement of $101,105,103. These liabilities are discussed in Note 7 of the Basic Financial Statements and summarized below.

In 2004, the City issued $27,360,000 in Wastewater Certificates of Participation (2004A) to finance the costs of improvements to the wastewater collection, treatment, and disposal system. These bonds were partially refunded with the 2012 Refunding Wastewater Revenue Bonds, Series A. The final debt service payment was made in fiscal year 2024-25.

On March 10, 2016, the City issued the $20,295,000 2016 Refunding Wastewater Revenue Bonds, Series A (2016 Bonds), to partially refund the $21,415,000 outstanding principal of the 2007A COP.

On December 1, 2017, the City issued a $7,762,794 Installment Purchase Agreement, refunding the Certificates of Participation, 2007 A (2007 COP).

On June 13, 2018, the City issued $41,610,000 Electric System Revenue Refunding Bonds (2018 Bonds) to allow the City to prepay and cause the immediate defeasance of the outstanding $55,785,000 Certificates of Participation (Electric System Revenue Certifications of Participation 2008 Series A).

On April 8, 2020, the City issued $25,390,000 Water Revenue Refunding Bonds (2020 Bonds) to allow the City to prepay and cause the immediate defeasance of the outstanding $29,650,000 Lodi Public Financing Authority 2010 Water Revenue Bonds, Series B (Federally Taxable – Build America Bonds).

On April 13, 2022, the City issued $28,250,000 Lease Revenue Bonds (2022 Bonds) to all of the City to prepay and cause the immediate defeasance of the outstanding $14,335,000 of the 2012 Lease Revenue Bonds.

The City's debt management policy includes a commitment to monitor all forms of debt annually while preparing the City's Financial Plan and Budget to ensure compliance. Also, the City will generally conduct financing on a competitive basis, seek an investment grade rating on any direct debt, and obtain credit enhancements such as letters of credit or insurance when necessary for marketing purposes, availability, and cost-effectiveness.

Competitive Bidding Policy

All required purchases for materials, equipment, and services during fiscal year 2024-25 were made pursuant to competitive bidding procedures established under the City's purchasing ordinance. Contracts for construction projects over $10,000 were awarded under competitive bidding procedures established by the State of California.

Risk Management

The City is self-insured for dental care, long-term disability, workers' compensation, general liability, and unemployment insurance. Outside agencies administer general liability and workers' compensation. The City administers unemployment insurance and long-term disability. Self-insurance transactions are accounted for under the Insurance Funds. As of June 30, 2025, the Insurance Fund had a net position of $8,017,916.

INDEPENDENT AUDIT

The City Council requires an annual audit of the records and accounts of the City by an independent certified public accountant. To ensure proper internal control, the City periodically conducts a request for proposal (RFP) process for auditing services. The accounting firm of LSL, LLP was selected to perform this audit. The independent auditor's report precedes the basic financial statements.

CERTIFICATES OF ACHIEVEMENT

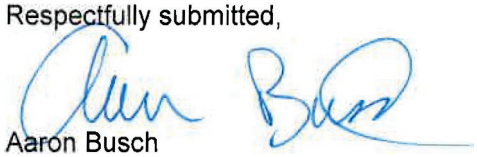
The City did not apply for the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Annual Comprehensive Financial Report (ACFR) for the year ended June 30, 2024, due to the late filing of the final ACFR. These Certificates of Achievement are prestigious national awards recognizing conformance with the highest standards for preparing state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized ACFR whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The City has received a Certificate of Achievement for the last thirty consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to GFOA this year.

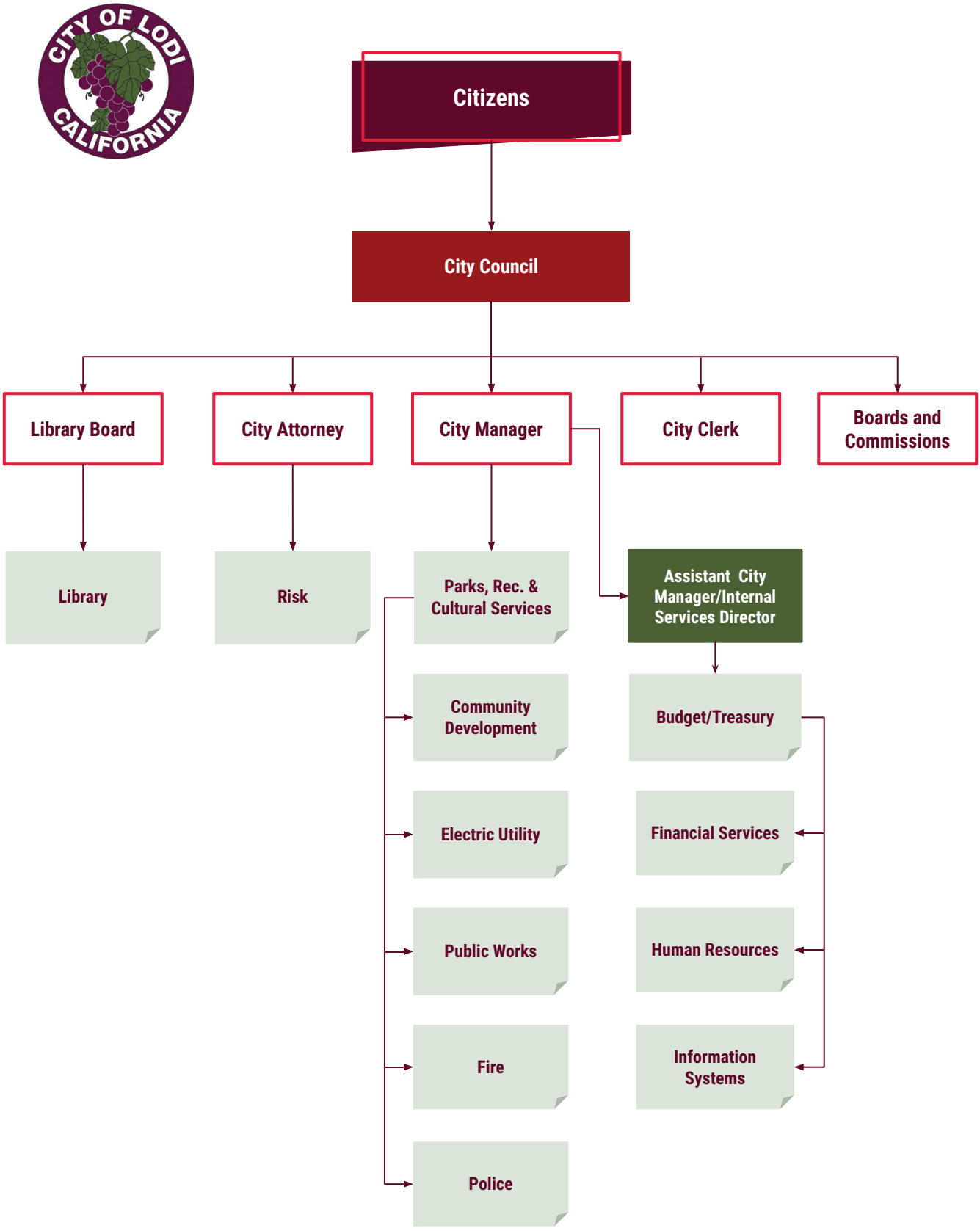
ACKNOWLEDGMENTS

As always, the professionalism, dedication, and efficiency of the Financial Services Division Accounting staff made it possible to prepare this report.

Respectfully submitted,



Aaron Busch
Interim City Manager


Citizens
City Council
Library Board
City Attorney
City Manager
City Clerk
Boards and Commissions
Library
Risk
Parks, Rec. & Cultural Services
Assistant City Manager/Internal Services Director
Community Development
Budget/Treasury
Electric Utility
Financial Services
Public Works
Human Resources
Fire
Information Systems
Police

Ramon Yepez,
Mayor, District 4

Mikey Hothi,
Mayor Pro Tempore, District 5

Alan Nakanishi,
Council Member, District 1

Lisa Craig-Hensley,
Council Member, District 2

Cameron Bregman,
Council Member, District 3

Aaron Busch,
Interim City Manager

Prepared by the Financial Services Division

Advisory Bodies and Directory of Officials

ADVISORY BODIES

Planning Commission
Library Board
Recreation Commission
Site Plan and Architectural Review Committee
Lodi Finance Committee
Lodi Improvement Committee
Lodi Arts Commission
Youth Commission
Lodi Senior Citizens' Commission

PRINCIPAL ADMINSTRATIVE OFFICERS

Aaron Busch	Interim City Manager
John M. Luebberke	Interim City Attorney
Olivia Nashed	City Clerk
Jenni Fontanilla	Library Services Director
Ken Johnson	Fire Chief
Christina Jaromay	Parks, Recreation & Cultural Services Director; Interim Internal Services Director
Sean Nathan	Interim Public Works Director
Jeff Berkheimer	Electric Utility Director
Cynthia March	Interim Community Development Director
Ricardo Garcia	Police Chief
Luis Aguilar	Economic Development Director

FINANCIAL SECTION

The Financial Section is comprised of the Independent Auditors' Report, Management's Discussion and Analysis, Basic Financial Statements, including the Notes, Required Supplementary Information, and Supplementary Information which includes Combining and Individual Fund Statements and Schedules.

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Modified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lodi, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Modified
Business-type Activities	Modified
General Fund	Unmodified
Streets Fund	Unmodified
Electric Fund	Modified
Wastewater Fund	Modified
Water Fund	Modified
Aggregate Remaining Fund Information	Modified

Modified Opinions

In our opinion, except for the possible effects of the matter discussed in the Basis for Modified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major enterprise fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major governmental fund of the City, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis Modified and Unmodified Opinions

We conducted our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified and unmodified audit opinions.

Matter Giving Rise to Modified Opinions

The City has been incorrectly reporting cash-out activity to the California Public Employees' Retirement System (CalPERs). Although the activity has been reconciled to existing CalPERs pension-generated reports, the reports related to Governmental Accounting Standards Board (GASB) Statement No. 68 cannot be fully relied upon without the complete submission of activity by the City to CalPERs. According to GASB 68 and the associated CalPERs requirements, it is necessary that all pension-related activities, especially cash-out activities, are accurately reported to ensure that financial statements reflect true and fair values of pension liabilities. Compliance with Generally Accepted Accounting Principles (GAAP) also requires that public entities maintain accurate and complete records of all financial transactions and activities to avoid misstatements and ensure regulatory compliance. Consequently, inaccurate reporting increases the risk of misstatements in the City's financial statements, potentially leading to non-compliance with GASB 68 requirements, and affects the reliability of CalPERs pension reports, impacting the accuracy of reported pension liabilities and expenses. The impact of this departure on the pension liability, deferred inflows and outflows of resources, net position, and pension-related expense of the governmental activities, business-type activities, each major enterprise fund, and the aggregate remaining fund information of the City has not been determined.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, during the fiscal year. GASB Statement No. 101 changes the recognition and measurement guidance for compensated absences. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP
Sacramento, California
April 30, 2026

Financial Services Division
310 W. Elm Street
Lodi, California, 95240

Management's Discussion and Analysis

This section of the Annual Comprehensive Financial Report is presented as discussion and analysis of the financial performance of the City of Lodi (City) for the year ended June 30, 2025.

Financial Highlights

- The assets and the deferred outflows of resources of the City exceeded its liabilities and the deferred inflows of resources at the close of the fiscal year by $457,547,110 (net position). Of this amount, $55,864,560 is unrestricted.
- The City's total net position increased by $27,713,455 in fiscal year 2025.
- As of June 30, 2025, the City's governmental funds reported combined ending fund balances of $115,303,579, an increase of $4,061,017 in comparison with the prior year. Of this amount, $28,560,520 is available for spending at the City's discretion (unassigned fund balance).
- At the close of the fiscal year, fund balance for the General Fund was $51,968,876, of which $29,191,231 is unassigned or 41.77% of total general fund expenditures of $69,886,818. Of the $51,968,876 fund balance, $6,085 is non-spendable for prepaid expenses, $22,013,789 is restricted for pensions and $757,771 is committed for video related capital projects.
- The City's total long-term liabilities decreased by $11,935,375 or 3.44% during the current fiscal year. Other liabilities increased by $5,189,140 or 16.93%.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to Basic Financial Statements. This report also includes required supplementary information and combining and individual fund statements and schedules in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflow of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes, and expenses pertaining to earned but unused vacation and sick leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public protection, public works, community development, library, parks and recreation. The business-type activities of the City include electric operations, wastewater operations, water operations and public transit operations.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories: Governmental funds, Proprietary funds, and Fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in governmental funds. These statements, however, focus on (1) how cash and other financial assets can readily be converted to available resources and (2) the balances left at year-end that are available for spending. Such information may be useful in determining financial resources available in the near future to finance City programs.

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

The City maintains several individual governmental funds organized according to their type (general, special revenue, capital projects and debt service). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Streets Fund which are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual budget for its General Fund and special revenue funds. Budgetary comparison statements and schedules have been provided for the General Fund and the special revenue funds to demonstrate compliance with this budget.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges customers, either outside customers, or internal units or departments of the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the operations of the Electric, Wastewater, Water, all of which are considered to be major funds and the Transit system, which is considered to be a non-major enterprise fund.

- **Internal Service funds** are used to report activities that account for various employee benefits, self-insurance, fleet activities, and vehicle and equipment replacement of the City. Because these activities predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the City. The activities of the Private-Purpose Trust and the Hutchins Street Square Bequest are also accounted for under the fiduciary funds. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. Fiduciary funds are accounted for using the accrual basis of accounting.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning changes in net pension and other post-employment liabilities and related ratios for the City's Miscellaneous and Safety pension plans, the City's progress in funding its obligation to provide other postemployment benefits (OPEB) to its employees, and schedules comparing budget to actual amounts in the General Fund and Streets Fund.

Combining Statements

The combining statements in connection with non-major governmental funds, internal service funds and fiduciary funds are presented immediately following the required supplementary information.

City of Lodi's Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	$245,796,045	$238,582,396	$169,155,241	$163,213,242	$414,951,286	$401,795,638
Capital assets	185,546,311	173,059,026	268,198,888	266,370,820	453,745,199	439,429,846
Total assets	431,342,356	411,641,422	437,354,129	429,584,062	868,696,485	841,225,484
Deferred outflows of resources	28,917,813	37,192,223	10,079,716	13,269,605	38,997,529	50,461,828
Liabilities:						
Long-term liabilities outstanding	197,980,629	201,613,750	137,128,878	145,431,132	335,109,507	347,044,882
Other liabilities	23,490,039	19,842,162	12,351,478	10,810,215	35,841,517	30,652,377
Total liabilities	221,470,668	221,455,912	149,480,356	156,241,347	370,951,024	377,697,259
Deferred inflows of resources	77,605,923	82,176,328	1,589,957	1,980,069	79,195,880	84,156,397
Net position:						
Net investment in capital assets, net of related debt	155,807,941	145,991,413	172,270,266	180,170,032	328,078,207	326,161,445
Restricted	68,366,610	48,310,376	5,144,246	7,190,859	73,510,856	55,501,235
Unrestricted	(62,990,973)	(49,100,384)	118,949,020	97,271,360	55,958,047	48,170,976
Total net position	$161,183,578	$145,201,405	$296,363,532	$284,632,251	$457,547,110	$429,833,656

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $455,547,110 at the close of the current fiscal year.

Assets. The City's total assets increased by $27,471,001. The increase is primarily due to the following:

Governmental Activities. Total assets for governmental activities had an increase of $19,700,934 or 4.79%. Current and other assets increased by $7,213,649 primarily resulting from the decrease in lease receivables of $2,682,555, $8,128,769 increase in cash and investments. Capital assets increased by $12,487,285. Other insignificant activities make up the difference.

Business-type Activities. Total assets for the business-type activities had an increase of $7,770,067 or 1.81%. Current and other assets increased by $5,941,999 primarily due to increases in cash and investments of $13,057,624, decrease in accounts receivable of $5,203,581. Capital assets increased by $1,828,068. Other insignificant activities contributed to the difference.

Deferred outflows of resources. The decrease in total deferred outflows of resources of $11,464,299 is primarily from changes in various components related to the Miscellaneous and Safety Plans in the CalPERS valuation reports and current pension contributions made after the measurement date of June 30, 2024.

Liabilities. The City's total liabilities decreased by $6,746,235 or 1.79%. The decrease is primarily due to the following:

Governmental Activities. Total liabilities for the governmental activities had an increase of $14,756 or 0.01%, primarily from a net of increases and decrease in long-term liabilities. These changes in liabilities included a reduction in the pension liability in the long-term liabilities.

Business-type Activities. Total liabilities for the business-type activities decreased by $6,760,991 or 4.33%. The decrease is primarily attributable to a decrease in long-term liabilities. Decreases in other liabilities include accrued salaries and wages, accounts payable and a decrease in unearned revenue. Other insignificant activities offset the difference.

Deferred inflows of resources. The decrease in total deferred inflows of resources of $4,960,517 is primarily from leases and OPEB valuation report update.

Net position. The City's overall financial position increased during the fiscal year. The net position has increased by $27,713,454 or 6.45%.

The largest portion, $328,078,207 of the City's net position reflects its investment in capital assets net of any associated depreciation (e.g., land, buildings and improvements, machinery and equipment); less any related debt (net investment in capital assets) used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources.

An additional portion of the City's net position, $73,510,856 or 16.07% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position amounts to $55,958,047. At the end of the current fiscal year, the City is able to report positive balances in the General Fund and all Enterprise activities. Unrestricted net position is negative for the governmental-type activities primarily as a result of the City's outstanding pension and OPEB obligations.

City of Lodi's Changes in Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$16,426,703	$17,493,668	$126,362,224	$123,150,433	$142,788,927	$140,644,101
Operating grants and contributions	5,415,295	6,253,026	2,100,000	11,357,983	7,515,295	17,611,009
Capital grants and contributions	2,845,177	10,711,282	280,503	2,887,789	3,125,680	13,599,071
General revenues:						
Property taxes	25,028,417	23,939,085	-	-	25,028,417	23,939,085
Sales taxes	24,986,453	25,205,178	-	-	24,986,453	25,205,178
Other taxes	14,098,332	13,078,598	-	-	14,098,332	13,078,598
Grants and contributions not restricted to specific programs	-	1,464,867	-	-	-	1,464,867
Other	14,903,161	5,087,109	16,247,835	7,280,833	31,150,996	12,367,942
Total revenues	103,703,538	103,232,813	144,990,562	144,677,038	248,694,100	247,909,851
Expenses						
General government	13,193,296	15,090,673	-	-	13,193,296	15,090,673
Public protection	53,338,838	39,805,787	-	-	53,338,838	39,805,787
Public works	7,943,810	11,775,407	-	-	7,943,810	11,775,407
Community development	7,856,680	3,456,218	-	-	7,856,680	3,456,218
Library	1,703,496	1,622,084	-	-	1,703,496	1,622,084
Parks and recreation	7,575,947	4,831,711	-	-	7,575,947	4,831,711
Interest on long-term debt	1,103,666	1,984,046	-	-	1,103,666	1,984,046
Electric	-	-	88,569,004	84,987,938	88,569,004	84,987,938
Wastewater	-	-	19,661,065	15,351,918	19,661,065	15,351,918
Water	-	-	12,172,273	13,163,990	12,172,273	13,163,990
Transit	-	-	5,888,970	5,555,262	5,888,970	5,555,262
Total expenses	92,715,733	78,565,926	126,291,312	119,059,108	219,007,045	197,625,034
Changes in net position before transfers	10,987,805	24,666,887	18,699,250	25,617,930	29,687,055	50,284,817
Loss from the disposition of capital assets					-	
Transfers	6,645,800	5,507,758	(6,645,800)	(5,507,758)	-	-
Changes in net position	17,633,605	30,174,645	12,053,450	20,110,172	29,687,055	50,284,817
Net position at beginning of year	145,201,405	115,026,760	284,632,250	264,522,078	429,833,655	379,548,838
Restatements	(1,651,427)	1,853,488	(322,168)	-	(1,973,595)	1,853,488
Net position at beginning of year, as restated	143,549,978	115,026,760	284,310,082	264,522,078	427,860,060	381,402,326
Net position at end of year	$161,183,583	$145,201,405	$296,363,532	$284,632,250	$457,547,115	$431,687,143

Analysis of Changes in Net Position

Governmental Activities

Net position for the governmental activities increased by $15,982,178 in the current fiscal year. The change in net position is a decrease over last year's increase of $30,174,644 by $14,192,467. The increase is primarily a result of the following:

- The City receives other taxes, such as franchise tax, business licenses and tourism occupancy tax. These other taxes increased by $1,019,734 or 7.80% compared to prior year. The economy continues to show evidence of positive movement particularly in the housing market, businesses and tourism.
- Sales tax saw a decrease by $218,725 or 0.87% from prior year. For the General Fund, sales tax decreased by $90,582. For Measure L, sales tax decreased by $128,143 from prior year.
- Property taxes increased by $1,089,332 from prior year.
- Capital grants and contributions decreased by $7,866,105 from the prior fiscal year. The difference is due to departments projects being placed on hold during the COVID-19 pandemic. Public Works used grants to complete various projects in the current fiscal year.

Expenses for governmental functions totaled $92,715,733, an increase of $14,149,807 or 18.01% relative to the prior fiscal year. Increase in expenditures resulted from the capital projects and service costs.

Business-type Activities

Business-type activities increased the City's net position by $11,731,282 in the current year, which is a decrease of $8,378,890 from last year's increase of $20,110,172. The key elements of this change are:

- Charges for services in the Electric Fund increased by $5,418,299, Wastewater Fund increased by $689,153, the Water Fund increased by $913,357 and Non-major Transit increased by $3,918.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the City include the General Fund, special revenue funds, debt service fund and capital projects funds.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $115,303,579, for a net change in fund balances of $4,061,017. In comparison to the prior year, the change in fund balance resulted from an increase in overall revenues and expenditures coming in under budget.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $29,191,231 while total fund balance was $51,968,876. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

Unassigned fund balance and total fund balance represent 41.77% and 74.36% of total General Fund expenditures, respectively.

The fund balance of the General Fund increased by $7,335,841 during the current fiscal year, an increase of $4,645,476 from last year's net change in fund balance of $2,690,365.

Total fund balance of the Streets Funds was $20,559,028. Intergovernmental revenues of $4,754,278 offset by expenditures of $4,560,252 were the largest components that resulted in the increase of $3,088,432 to fund balance.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position at the end of the year for the Electric Fund was $35,816,201, Wastewater Fund was $19,682,164, Water Fund was $43,343,250, Transit Fund was $20,107,405 and the Internal Services Funds unrestricted net position was $23,760,560.

Other factors concerning the finances of these funds are discussed in the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final budget in the General Fund were a net decrease in appropriations of $8,783,143. The increase in appropriations can be briefly summarized as follows:

- $1,808,750 increase in general revenues
- $10,591,893 increase in overall expenditures

Significant differences between the final budget and the actual revenues and expenditures can be briefly summarized as follows:

- Tax revenue experienced a favorable variance between the final budget and actual revenue of $557,759, which resulted from an increase in property tax, special assessment taxes and transient occupancy tax. Investment and rental income had a variance between the budget and actual of $2,054,415. Sales and use tax had a favorable variance between the final budget and actual revenue of $859,153. Intergovernmental had an unfavorable variance between the final budget and actual revenue of 364,026. All additional revenues had an unfavorable variance between final budget and actuals but were not significant.
- For expenditures, a favorable variance between the final budget and actual expenditures of $11,099,175 was due to savings from vacancies and the continued overall effort to reduce spending and costs.

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to $453,745,199 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, infrastructure, works of art, and construction in progress. The total increase in the City's capital assets for the current fiscal year was $14,315,353, an 3.26% increase (a 7.22% increase in governmental activities and 0.69% increase in business-type activities).

An increase in construction in progress projects compared to prior year was primarily from the Streets projects.

Additional information on the City's capital assets can be found in Note 6 on pages 55-57 of this report.

Long-term debt

At the end of the current fiscal year, the City had total bonded debt outstanding of $26,823,692 is the outstanding balance of the bonds issued to fund the new public safety building, refinancing of the performing arts center and the downtown and Cherokee Lane improvements. The total of $82,195,661 from the business-type activities consists of $23,985,464 for the Water Fund, $27,489,106 for the Wastewater Fund; and $30,721,091 for the Electric Fund.

The City's total bonded debt decreased by $7,991,166 during the current fiscal year.

Additional information on the City's long-term debt can be found in Note 7 pages 58-60 of this report.

City of Lodi's Capital Assets
(net of depreciation)

	Governmental Activities	Business-type Activities	Total
Beginning of Year	$169,375,973	$265,841,440	$435,217,413
Land	29,434,399	5,535,719	34,970,118
Buildings and Improvements	34,193,080	34,342,356	68,535,436
Machinery and equipment	3,106,304	200,457,727	203,564,031
Vehicles	5,985,785	9,163,323	15,149,108
Infrastructure	77,121,550	-	77,121,550
Work of Art	304,907	-	304,907
Construction in Progress	32,045,887	18,006,164	50,052,051
End of Year	$182,191,912	$267,505,289	$449,697,201

Economic Factors and Next Year's Budget

The City is projecting a balanced budget in the General Fund for Fiscal Year 2025-26. Overall General Fund revenue is anticipated to be $3.6 million or 4.1% higher than Fiscal Year 2024-25. This increase includes the budgeting of investment interest revenue and an accurate calculation of property tax revenues that were historically under estimated. For major revenue categories, the City is expecting continued but slowing growth during the Fiscal Year. Combined sales tax and Measure L growth is estimated at $758,252 compared to Fiscal Year 2024-25 actuals, or a growth of 2.9%. Property tax growth is projected at 1% or $161,000. Continued strong single-family home construction in calendar year 2023 has led to significant projected growth in the City's Community Facilities District tax revenue of 12.6% or $109,839. Transient Occupancy Tax, the revenue stream most impacted by the COVID-19 pandemic has made a strong recovery, however indications of a slowing in this sector from the first half of 2024 lead to a decrease of $90,000 or 5.7% in projected revenue. In addition to slower growth in key revenue categories, the City's Business License Tax was determined to be invalid and as such was not collected for Fiscal Year 2023-24 and forward but has resulted in an ongoing loss of over $2 million in projected revenue for the General Fund. Overall General Fund revenues are anticipated to be $4.4 million or 5.6% more than actuals for Fiscal Year 2022-23 when removing one time grant revenues. The City's General Fund reserves remain healthy, and with disciplined savings over the past 5 years driven by the City's Pension Stabilization Policy, the City's Pension Stabilization Reserves are substantial.

Projected City-wide CalPERS unfunded accrued liability (UAL) cost of $15.1 million in fiscal year 2025-26 are anticipated to continue to grow to approximately $19.3 million by 2030-31, for a 38.9%% increase over the forecast term included in the most recent actuarial reports provided by CalPERS to the City. The most recent actuarial reports provided by CalPERS show the City is 70.3% funded when combining the Safety and Miscellaneous plans. The City is 68.3% funded as of June 30, 2025 compared to the most recent CalPERS calculated accrued liability when combining the most recent CalPERS and Pension Stabilization Fund assets. Continued caution and fiscal prudence towards the CalPERS liability will be required in the coming years.

For fiscal year 2025-26, the City increased its workforce by a net of 5 positions. A net of 1 new position were included in the General Fund and a net of 3 new positions in utility funds and 1 new position in Fleet as shown below.

Position	Department	Change
Librarian II	General Fund - Library	1
Lab Tech I	Public Works - Wastewater	1
Utility Safety & Training Specialist	Public Works - Water, Wastewater & Streets	1
Water Resources Manager	Public Works - Water	1
Heavy Equipment Mechanic	Public Works - Fleet	1
Net Increase		5

Significant projects are expected to be undertaken during the Fiscal Year 2024-25. Including an estimated $13 million replacement of the Lodi animal shelter funded from proceeds of a 2022 bond refinancing and a $10.6 million construction of the Lodi Access Center funded entirely from grant resources.

Employee costs and retirement contributions – The City entered multi-year labor agreements with all of its represented bargaining units that began in 2025. The City's labor contracts expire June 30, 2028 or December 31, 2028 as shown below.

Bargaining Group	Contract Expiration Date
Fire Mid Management	June 30, 2028
Lodi Police Dispatchers Association	June 30, 2028
Police Officers' Association of Lodi	June 30, 2028
Lodi Police Mid-Management Association	June 30, 2028
Lodi Professional Firefighters	December 31, 2028
Lodi City Mid-Management Association	December 31, 2028
AFSCME General Services and Maintenance and Operators	December 31, 2028
International Brother of Electrical Workers	December 31, 2028

Based on the City's aggressive funding actions over the past five years, at the end of fiscal year 2024-25, total funding in the Pension Stabilization Fund (PSF) exceeded $30 million. Because results for fiscal year 2024-25 exceeded expectations, it is anticipated that the City will make additional contributions to the PSF in fiscal year 2025-26 contributing to the policy goal of 80% funded.

Economic Development

The City is deep-rooted in California's rival wine country, is as ripe for commercial and residential real estate development as it is for its Zinfandel grapes. Because of its agricultural roots, the City has unfolded into an international tourist destination and real estate market, attracting medical biotech and light industrial development to the area. With San Joaquin County's charming architecture, and Lodi's awe-inspiring vineyards, almond, olive and fruit orchards, it is easy to see why so many are drawn to the area for its beauty and abundance.

Investors continue to look to the City as an opportunity for adding commercial real estate, residential, in-fill, and mixed-use development to its picturesque agricultural setting. The City's strength as a real estate market lies in its strong infrastructure, abundant water, wine tourism industry, and affordable real estate. The accessibility to Interstate 5 and Highway 99 allows manufacturers and distributors to get their product out to market quickly. The Municipally owned Lodi Electric unit is more reliable and less expensive than the investor owned utilities in the area, a distinct advantage for Lodi business.

Request for Information

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City' accountability for the money it receives. If you have any questions about this report or need additional information, contact the Financial Services Division of the City of Lodi at 310 W. Elm Street, Lodi, California, 95240.

Basic Financial Statements

The government-wide financial statements provide a broad overview of the City's financial Position and operating results. Information is grouped by governmental activities or business-type activities.

The Fund Financial Statements report information about the City's Governmental Funds, Proprietary Funds, and the Fiduciary Funds.

The notes have an integral role in disclosing information essential to the Basic Financial Statements.

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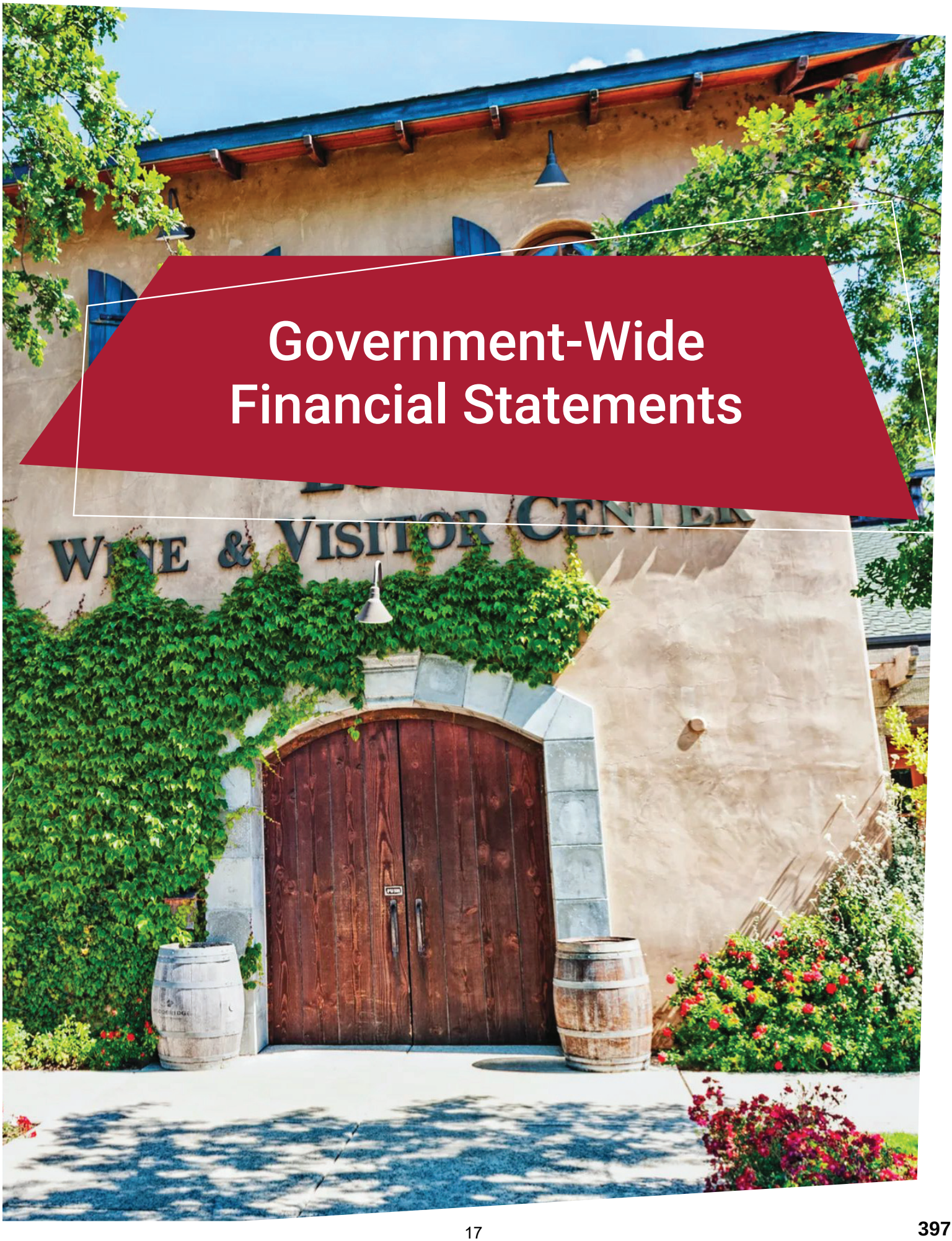

Government-Wide Financial Statements

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	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 113,893,664	$ 120,150,388	$ 234,044,052
Receivables (net of uncollectibles):			
Accounts	12,074,030	8,936,933	21,010,963
Taxes	95,587	-	95,587
Accrued interest	1,306,383	310,190	1,616,573
Due from other governments	4,069,986	3,879,026	7,949,012
Notes and loans	77,602	-	77,602
Leases	73,402,989	77,575	73,480,564
Advance - NCPA	-	8,651,115	8,651,115
Prepaid/other assets	6,085	-	6,085
Restricted assets:			
Cash and investments	40,640,804	16,194,404	56,835,208
Cash with fiscal agent	-	823	823
Inventories	228,915	10,954,787	11,183,702
Capital assets (not being depreciated)	61,785,193	23,541,883	85,327,076
Capital assets (net of accumulated depreciation/amortization)	123,761,118	244,657,005	368,418,123
Total assets	**431,342,356**	**437,354,129**	**868,696,485**
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	468,705	3,556,671	4,025,376
Pension-related	26,841,747	6,103,223	32,944,970
OPEB-related	1,607,361	419,822	2,027,183
Total deferred outflows of resources	**28,917,813**	**10,079,716**	**38,997,529**
LIABILITIES			
Accounts payable and other liabilities	14,296,525	7,976,503	22,273,028
Accrued salaries and wages	570,859	501,541	1,072,400
Accrued interest	450,747	1,196,742	1,647,489
Unearned revenue	8,171,908	2,676,692	10,848,600
Noncurrent liabilities:			
Due within one year: bonds, notes, leases, SBITA, claims, remediation, and compensated absences	5,715,866	9,127,423	14,843,289
Due in more than one year:			
Net pension liability	134,953,548	34,447,189	169,400,737
Net OPEB liability	13,489,078	3,523,176	17,012,254
Bonds, notes, leases, SBITA, claims, remediation, and compensated absences	43,822,137	90,031,090	133,853,227
Total liabilities	**221,470,668**	**149,480,356**	**370,951,024**
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on refunding	-	297,781	297,781
OPEB-related	4,657,368	1,216,445	5,873,813
Lease-related	72,948,555	75,731	73,024,286
Total deferred inflows of resources	**77,605,923**	**1,589,957**	**79,195,880**
NET POSITION			
Net investment in capital assets	155,807,941	172,270,266	328,078,207
Restricted:			
Capital projects	25,745,380	5,143,423	30,888,803
Community development	11,804,809	-	11,804,809
Debt service	-	823	823
Pensions	30,150,060	-	30,150,060
Other purposes	666,361	-	666,361
Unrestricted	(62,990,973)	118,949,020	55,958,047
Total net position	**$ 161,183,578**	**$ 296,363,532**	**$ 457,547,110**

See Notes to Financial Statements.

CITY OF LODI, CALIFORNIA
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	$ 13,193,296	$ 4,037,412	$ 670,560	$ 2,579,971
Public protection	53,338,838	552,686	1,102,641	-
Community development	7,856,680	4,359,134	689,423	-
Library	1,703,496	110,465	35,000	-
Parks and recreation	7,575,947	1,406,424	256,113	265,206
Public works	7,943,810	5,960,582	2,661,558	-
Interest on long-term debt	1,103,666	-	-	-
Total governmental activities	**92,715,733**	**16,426,703**	**5,415,295**	**2,845,177**
Business-type activities:				
Electric	88,569,004	92,508,113	-	-
Wastewater	19,661,065	18,577,841	-	-
Water	12,172,273	15,169,674	-	-
Transit	5,888,970	106,596	2,100,000	280,503
Total business-type activities	**126,291,312**	**126,362,224**	**2,100,000**	**280,503**
Total primary government	**$ 219,007,045**	**$ 142,788,927**	**$ 7,515,295**	**$ 3,125,680**
		General revenues and transfers:		
		General revenues:		
		Property taxes		
		Sales taxes		
		Transient occupancy taxes		
		Franchise taxes		
		Business licenses taxes		
		Special assessments		
		Document transfer		
		Use of money and property		
		Other		
		Gain on sale of capital asset		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position-beginning		
		Correction of an error/change in accounting principle		
		Net position-beginning, as restated		
		Net position-ending		

See Notes to Financial Statements.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (5,905,353)	$ -	$ (5,905,353)
(51,683,511)	-	(51,683,511)
(2,808,123)	-	(2,808,123)
(1,558,031)	-	(1,558,031)
(5,648,204)	-	(5,648,204)
678,330	-	678,330
(1,103,666)	-	(1,103,666)
(68,028,558)	**-**	**(68,028,558)**
-	3,939,109	3,939,109
-	(1,083,224)	(1,083,224)
-	2,997,401	2,997,401
-	(3,401,871)	(3,401,871)
-	**2,451,415**	**2,451,415**
$ (68,028,558)	**$ 2,451,415**	**$ (65,577,143)**
25,028,417	-	25,028,417
24,986,453	-	24,986,453
1,599,044	-	1,599,044
3,067,106	-	3,067,106
349,188	-	349,188
962,884	-	962,884
8,120,110	-	8,120,110
13,594,045	8,313,808	21,907,853
1,309,116	7,682,658	8,991,774
-	251,369	251,369
6,645,800	(6,645,800)	-
85,662,163	**9,602,035**	**95,264,198**
17,633,605	**12,053,450**	**29,687,055**
145,201,400	284,632,250	429,833,650
(1,651,427)	(322,168)	(1,973,595)
143,549,973	284,310,082	427,860,055
$ 161,183,578	**$ 296,363,532**	**$ 457,547,110**

See Notes to Financial Statements.

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Fund Financial Statements

Government Fund Types

- Major Funds:
  - General Fund
  - Streets Fund

Proprietary Fund Types

- Major Funds:
  - Electric Fund
  - Wastewater Fund
  - Water Fund
- Nonmajor Enterprise Fund:
  - Transit Fund
- Internal Service Funds

Custodial Funds

CITY OF LODI. CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2025

	General	Special Revenue Fund Streets	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 34,508,417	$ 19,780,007	$ 29,341,480	$ 83,629,904
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	7,740,783	1,061,793	2,883,085	11,685,661
Property taxes receivable	95,587	-	-	95,587
Interest receivable	1,153,943	36,831	59,446	1,250,220
Due from other governmental agencies	1,191,347	279,150	2,599,489	4,069,986
Notes and loans	-	-	77,602	77,602
Lease receivable	73,402,989	-	-	73,402,989
Due from other funds	576,470	-	-	576,470
Inventory	-	-	2,707	2,707
Prepaid/other assets	6,085	-	-	6,085
Restricted assets:				
Restricted cash and investments	22,013,789	432,329	15,251,845	37,697,963
Total assets	**$ 140,689,410**	**$ 21,590,110**	**$ 50,215,654**	**$ 212,495,174**
LIABILITIES				
Accounts payable and other liabilities	$ 8,666,989	$ 968,794	$ 4,133,687	$ 13,769,470
Accrued salaries and wages	343,002	47,448	164,476	554,926
Unearned revenue	6,761,988	14,840	1,395,080	8,171,908
Due to other funds	-	-	576,470	576,470
Total liabilities	**15,771,979**	**1,031,082**	**6,269,713**	**23,072,774**
DEFERRED INFLOWS OF RESOURCES				
Lease related	72,948,555	-	-	72,948,555
Unavailable revenue	-	-	1,170,266	1,170,266
Total deferred inflows of resources	**72,948,555**	**-**	**1,170,266**	**74,118,821**
FUND BALANCES (DEFICITS)				
Nonspendable	6,085	-	2,707	8,792
Restricted	22,013,789	20,559,028	25,793,793	68,366,610
Committed	757,771	-	3,078,549	3,836,320
Assigned	-	-	14,531,337	14,531,337
Unassigned	29,191,231	-	(630,711)	28,560,520
Total fund balances (deficits)	**51,968,876**	**20,559,028**	**42,775,675**	**115,303,579**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 140,689,410**	**$ 21,590,110**	**$ 50,215,654**	**$ 212,495,174**

See Notes to Financial Statements.

CITY OF LODI, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		$ 115,303,579
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		185,522,437
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	$ 26,594,407	
Deferred outflows-OPEB related	1,597,784	
Deferred inflows-OPEB related	(4,629,620)	
Total deferred outflows and inflows related to postemployment benefits		23,562,571
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Long-term receivables	1,170,266	
Total other long-term assets		1,170,266
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		23,760,560
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Bonds payable	(26,823,692)	
SBITA payable	(3,290,580)	
Compensated absences	(11,073,773)	
Accrued interest payable on long-term debt	(450,244)	
Net pension liability	(133,557,540)	
Net OPEB liability	(13,408,711)	
Total long-term liabilities		(188,604,540)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities.		
Deferred amount on refunding	468,705	
Total premiums, discounts, and deferred items		468,705
Net position of governmental activities		**$ 161,183,578**

See Notes to Financial Statements.

CITY OF LODI. CALIFORNIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Special Revenue Fund Streets	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	$ 39,126,749	$ -	$ -	$ 39,126,749
Sales and use tax	24,986,453	-	-	24,986,453
Developer impact fees	-	-	2,580,058	2,580,058
Licenses and permits	78,365	-	2,535,945	2,614,310
Intergovernmental revenues	1,587,474	4,754,278	5,695,459	12,037,211
Charges for services	1,902,471	1,199,467	2,744,466	5,846,404
Investment and rental income	8,917,695	981,449	2,208,088	12,107,232
Fines, forfeits, and penalties	330,152	-	-	330,152
Miscellaneous revenue	1,400,717	49,679	100,000	1,550,396
Total revenues	**78,330,076**	**6,984,873**	**15,864,016**	**101,178,965**
EXPENDITURES				
Current:				
General government	15,976,667	-	80,401	16,057,068
Public protection	48,135,679	-	202,124	48,337,803
Community development	3,258,995	-	3,221,629	6,480,624
Library	1,599,133	-	-	1,599,133
Parks and recreation	-	-	7,303,495	7,303,495
Public works	226,657	3,872,237	600,717	4,699,611
Capital outlay	-	688,015	16,213,438	16,901,453
Debt service:				
Principal retirement	587,032	-	762,004	1,349,036
Interest expense	102,655	-	969,444	1,072,099
Total expenditures	**69,886,818**	**4,560,252**	**29,353,252**	**103,800,322**
Excess (deficiency) of revenues over (under) expenditures	**8,443,258**	**2,424,621**	**(13,489,236)**	**(2,621,357)**
OTHER FINANCING SOURCES (USES)				
Transfers in	11,767,350	1,222,990	9,243,410	22,233,750
Transfers out	(12,883,330)	(567,110)	(2,127,510)	(15,577,950)
Subscriptions issued	-	-	10,080	10,080
Proceeds from sale of capital assets	8,563	7,931	-	16,494
Total other financing sources (uses)	**(1,107,417)**	**663,811**	**7,125,980**	**6,682,374**
Net change in fund balances	**7,335,841**	**3,088,432**	**(6,363,256)**	**4,061,017**
Fund balances-beginning	44,633,033	17,470,601	49,138,923	111,242,557
Fund balances (deficit)-ending	**$ 51,968,876**	**$ 20,559,028**	**$ 42,775,675**	**$ 115,303,579**

See Notes to Financial Statements.

CITY OF LODI, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

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

Net change in fund balances - total governmental funds:		$ 4,061,017
Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Capital outlay	$ 17,199,747	
Capital contributions	3,104,767	
Depreciation/amortization expense	(7,802,493)	
Total adjustment		12,502,021
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable grant revenues	1,631,879	
Total adjustment		1,631,879
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.		
Loss/(gain) on disposal of capital assets	(11,977)	
Total adjustment		(11,977)
Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.		
Subscriptions issued	(292,095)	
Amortization of bond premiums and discounts	20,463	
Principal payments	1,302,400	
Total adjustment		1,030,768
Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.		2,167,011
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	(55,925)	
Compensated absences	(477,712)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(5,001,992)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	1,788,515	
Total adjustment		(3,747,114)
Change in net position of governmental activities		**$ 17,633,605**

See Notes to Financial Statements.

CITY OF LODI, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities					Governmental Activities
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	$ 32,496,970	$ 31,119,215	$ 53,417,507	$ 3,116,696	$ 120,150,388	$ 30,263,760
Receivables (net of uncollectibles):						
Accounts receivable, net	6,219,867	1,529,197	1,082,312	105,557	8,936,933	388,369
Interest receivable	99,515	75,987	126,287	8,401	310,190	56,163
Advance receivables - NCPA	8,651,115	-	-	-	8,651,115	-
Due from other governmental agencies	32,435	30,003	-	3,816,588	3,879,026	-
Lease receivable	-	-	-	43,719	43,719	-
Inventory	10,619,250	52,830	282,707	-	10,954,787	226,208
Restricted:						
Restricted cash and investments	-	-	11,050,981	-	11,050,981	2,942,841
Total current assets	58,119,152	32,807,232	65,959,794	7,090,961	163,977,139	33,877,341
Noncurrent:						
Restricted assets with fiscal agents	491	328	4	-	823	-
Restricted cash and investments	2,932,988	1,033,742	1,033,742	142,951	5,143,423	-
Lease receivable	-	-	-	33,856	33,856	-
Capital assets, net	57,634,676	97,354,518	96,873,894	16,335,800	268,198,888	23,874
Total noncurrent assets	60,568,155	98,388,588	97,907,640	16,512,607	273,376,990	23,874
Total assets	**118,687,307**	**131,195,820**	**163,867,434**	**23,603,568**	**437,354,129**	**33,901,215**
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding	2,570,532	986,139	-	-	3,556,671	-
Pension related	3,574,431	1,440,687	926,139	161,966	6,103,223	247,340
OPEB related	111,663	188,858	119,301	-	419,822	9,577
Total deferred outflows of resources	**6,256,626**	**2,615,684**	**1,045,440**	**161,966**	**10,079,716**	**256,917**
LIABILITIES						
Current liabilities:						
Accounts payable and other liabilities	2,405,484	3,017,714	2,312,740	240,565	7,976,503	527,055
Accrued salaries and wages	305,138	166,704	19,359	10,340	501,541	15,933
Accrued interest	467,122	649,686	79,934	-	1,196,742	503
Unearned revenue	-	-	660,104	2,016,588	2,676,692	-
Lease liability	-	-	474	-	474	-
Subscription liability	80,165	26,877	79,821	-	186,863	1,175
Accrued compensated absences	994,955	411,833	264,690	49,901	1,721,379	46,048
Pollution remediation obligation	-	-	400,000	-	400,000	-
Certificates of participation and revenue bonds payable	2,875,000	2,858,707	1,085,000	-	6,818,707	-
Total current liabilities	7,127,864	7,131,521	4,902,122	2,317,394	21,478,901	590,714

	Business-Type Activities					Governmental Activities
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
Noncurrent liabilities:						
Self insurance liability	-	-	-	-	-	8,017,916
Accrued compensated absences	381,279	245,167	181,401	194,511	1,002,358	275,509
Lease liability	-	-	42,940	-	42,940	-
Subscription liability	115,432	45,448	224,340	-	385,220	9,310
Pollution remediation obligation	-	-	13,223,618	-	13,223,618	-
Certificates of participation and revenue bonds payable	27,846,091	24,630,399	22,900,464	-	75,376,954	-
Net pension liability	20,174,434	8,131,382	5,227,221	914,152	34,447,189	1,396,008
Net OPEB liability	937,087	1,584,906	1,001,183	-	3,523,176	80,367
Total noncurrent liabilities	49,454,323	34,637,302	42,801,167	1,108,663	128,001,455	9,779,110
Total liabilities	**56,582,187**	**41,768,823**	**47,703,289**	**3,426,057**	**149,480,356**	**10,369,824**
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	-	-	297,781	-	297,781	-
OPEB related	323,547	547,220	345,678	-	1,216,445	27,748
Lease related	-	-	-	75,731	75,731	-
Total deferred inflows of resources	**323,547**	**547,220**	**643,459**	**75,731**	**1,589,957**	**27,748**
NET POSITION						
Net investment in capital assets	29,288,519	70,779,227	72,189,130	13,390	172,270,266	-
Restricted	2,933,479	1,034,070	1,033,746	142,951	5,144,246	-
Unrestricted	35,816,201	19,682,164	43,343,250	20,107,405	118,949,020	23,760,560
Total net position	**$ 68,038,199**	**$ 91,495,461**	**$ 116,566,126**	**$ 20,263,746**	**$ 296,363,532**	**$ 23,760,560**

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CITY OF LODI, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities					Governmental Activities
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES						
Charges for services	$ 91,198,777	$ 18,577,841	$ 15,169,674	$ 106,596	$ 125,052,888	$ 18,585,826
Other operating revenue	2,767,285	222,943	452,575	198,032	3,640,835	-
Total operating revenues	**93,966,062**	**18,800,784**	**15,622,249**	**304,628**	**128,693,723**	**18,585,826**
OPERATING EXPENSES						
Personnel services	13,099,325	8,594,012	2,471,348	548,792	24,713,477	2,265,550
Supplies, materials and services	16,682,921	4,020,938	4,230,315	3,995,922	28,930,096	12,994,315
Utilities	54,415,749	1,083,872	1,022,725	54,457	56,576,803	14,947
Depreciation and amortization	2,714,502	4,873,714	3,812,378	1,289,799	12,690,393	2,759
Claims/premiums	-	-	-	-	-	2,883,231
Total operating expenses	**86,912,497**	**18,572,536**	**11,536,766**	**5,888,970**	**122,910,769**	**18,160,802**
Operating income (loss)	**7,053,565**	**228,248**	**4,085,483**	**(5,584,342)**	**5,782,954**	**425,024**
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental revenue	(440,319)	(26,532)	-	2,242,682	1,775,831	-
Investment income	3,036,594	1,969,023	3,049,346	258,845	8,313,808	1,644,851
Interest expense	(1,780,680)	(1,094,182)	(695,100)	-	(3,569,962)	(599)
Greenhouse gas allowance	3,099,107	-	-	-	3,099,107	-
Gain on sale of city property	244,401	6,363	605	-	251,369	2,550
Total nonoperating revenues (expenses)	**4,159,103**	**854,672**	**2,354,851**	**2,501,527**	**9,870,153**	**1,646,802**
Income (loss) before capital contributions and transfers	**11,212,668**	**1,082,920**	**6,440,334**	**(3,082,815)**	**15,653,107**	**2,071,826**
Capital contributions	407,201	1,500,670	1,000,446	137,821	3,046,138	-
Transfers out	(3,535,690)	(1,371,620)	(1,457,550)	(280,940)	(6,645,800)	(10,000)
Change in net position	**8,084,179**	**1,211,970**	**5,983,230**	**(3,225,934)**	**12,053,445**	**2,061,826**
Net position-beginning	60,056,966	90,347,051	110,732,255	23,495,983	284,632,255	21,711,332
Restatements	(102,946)	(63,560)	(149,359)	(6,303)	(322,168)	(12,598)
Net position-beginning, as restated	59,954,020	90,283,491	110,582,896	23,489,680	284,310,087	21,698,734
Net position-ending	**$ 68,038,199**	**$ 91,495,461**	**$ 116,566,126**	**$ 20,263,746**	**$ 296,363,532**	**$ 23,760,560**

See Notes to Financial Statements.

CITY OF LODI, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities					Governmental Activities
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	$ 95,627,714	$ 18,689,811	$ 16,091,925	$ 6,943,888	$ 137,353,338	$ -
Receipts from interfund charges	-	-	-	-	-	18,399,372
Payments to suppliers and service providers	(71,586,189)	(4,410,280)	(6,292,847)	(4,449,991)	(86,739,307)	(15,523,932)
Payments to employees for salaries and benefits	(12,244,868)	(7,115,792)	(3,198,842)	(505,907)	(23,065,409)	(2,345,368)
Net cash provided by (used for) operating activities	**11,796,657**	**7,163,739**	**6,600,236**	**1,987,990**	**27,548,622**	**530,072**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers to other funds	(3,535,690)	(1,371,620)	(1,457,550)	(280,940)	(6,645,800)	(10,000)
Greenhouse gas allowance	3,099,107	-	-	-	3,099,107	-
Operating grants and contributions	482,222	26,532	-	126,094	634,848	-
Net cash provided by (used for) noncapital financing activities	**45,639**	**(1,345,088)**	**(1,457,550)**	**(154,846)**	**(2,911,845)**	**(10,000)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Capital contributions	(33,118)	1,474,138	1,000,446	137,821	2,579,287	-
Acquisition and construction of capital assets	(4,365,179)	(8,058,036)	(1,837,811)	(7,616)	(14,268,642)	-
Principal paid on capital debt	(2,814,592)	(2,757,918)	(1,196,058)	-	(6,768,568)	(1,138)
Interest paid on capital debt	(1,892,894)	(1,183,165)	(714,183)	-	(3,790,242)	(360)
Proceeds from sales of assets	244,799	6,363	605	-	251,767	2,550
Net cash provided by (used for) capital and related financing activities	**(8,860,984)**	**(10,518,618)**	**(2,747,001)**	**130,205**	**(21,996,398)**	**1,052**
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	2,970,933	1,966,313	2,954,503	252,653	8,144,402	1,645,887
Leasing activities	-	-	-	96	96	-
Net cash provided by (used for) investing activities	**2,970,933**	**1,966,313**	**2,954,503**	**252,749**	**8,144,498**	**1,645,887**
Net increase (decrease) in cash and cash equivalents	**5,952,245**	**(2,733,654)**	**5,350,188**	**2,216,098**	**10,784,877**	**2,167,011**
Cash and investments-beginning	29,478,204	32,717,089	60,152,046	1,043,549	123,390,888	31,039,590
Cash and investments-ending	**$ 35,430,449**	**$ 29,983,435**	**$ 65,502,234**	**$ 3,259,647**	**$ 134,175,765**	**$ 33,206,601**

See Notes to Financial Statements.

CITY OF LODI, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-Type Activities					Governmental Activities
	Electric	Wastewater	Water	Nonmajor Transit Fund	Total Enterprise Funds	Internal Service Funds
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION						
Cash and investments	$ 32,496,970	$ 31,119,215	$ 53,417,507	$ 3,116,696	$ 120,150,388	$ 30,263,760
Restricted cash and investments	2,932,988	1,033,742	12,084,723	142,951	16,194,404	2,942,841
Cash with fiscal agent	491	328	4	-	823	-
Less: Guaranteed investment contract	-	(2,169,850)	-	-	(2,169,850)	-
Total cash and cash equivalents	$ 35,430,449	$ 29,983,435	$ 65,502,234	$ 3,259,647	$ 134,175,765	$ 33,206,601
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES						
Operating income (loss)	$ 7,053,565	$ 228,248	$ 4,085,483	$ (5,584,342)	$ 5,782,954	$ 425,024
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	2,714,502	4,873,714	3,812,378	1,289,799	12,690,393	2,759
(Increase) decrease in accounts receivable	222,145	(110,973)	469,676	4,622,672	5,203,520	(186,454)
(Increase) decrease in advance receivable	1,439,507	-	-	-	1,439,507	-
(Increase) decrease in inventories	(277,319)	12,701	60,239	-	(204,379)	(37,583)
(Increase) decrease in prepaid items	-	-	-	-	-	108,666
Increase (decrease) in accounts payable and other liabilities	(210,200)	681,829	(591,654)	(399,612)	(519,637)	297,478
Increase (decrease) in accrued salaries and wages	93,981	38,421	(4,167)	(2,006)	126,229	(679)
Increase (decrease) in unearned revenue	-	-	-	2,016,588	2,016,588	-
Increase (decrease) in compensated absences	224,368	152,129	33,837	21,939	432,273	10,700
Increase (decrease) in claims and judgments	-	-	-	-	-	17,801
Increase (decrease) in pollution remediation obligation	-	-	(508,392)	-	(508,392)	(96,918)
Increase (decrease) in net pension liability	661,100	1,499,070	(623,622)	22,952	1,559,500	(10,722)
Increase (decrease) in net OPEB liability	(124,992)	(211,400)	(133,542)	-	(469,934)	-
Total adjustments	4,743,092	6,935,491	2,514,753	7,572,332	21,765,668	105,048
Net cash provided by (used for) operating activities	$ 11,796,657	$ 7,163,739	$ 6,600,236	$ 1,987,990	$ 27,548,622	$ 530,072
SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES						
Capital asset contributions	$ 407,201	$ 1,500,670	$ 1,000,446	$ 137,921	$ 3,046,238	$ -
Amortization of issuance premium	477,246	130,978	170,648	-	778,872	-
Amortization of deferred gain on refunding	376,175	83,408	19,700	-	479,283	-

CITY OF LODI, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds
ASSETS	
Cash and investments	$ 185,608
Interest receivable	4
Total assets	**185,612**
NET POSITION	
Restricted for organizations	185,612
Total net position	**$ 185,612**

See Notes to Financial Statements.

CITY OF LODI, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Custodial Funds
ADDITIONS	
Investment Earnings	$ 15,267
Miscellaneous revenue	305
Total additions	**15,572**
DEDUCTIONS	
Library	90
Total deductions	**90**
Net increase (decrease) in fiduciary net position	**15,482**
Net position-beginning	170,130
Net position-ending	**$ 185,612**

See Notes to Financial Statements.

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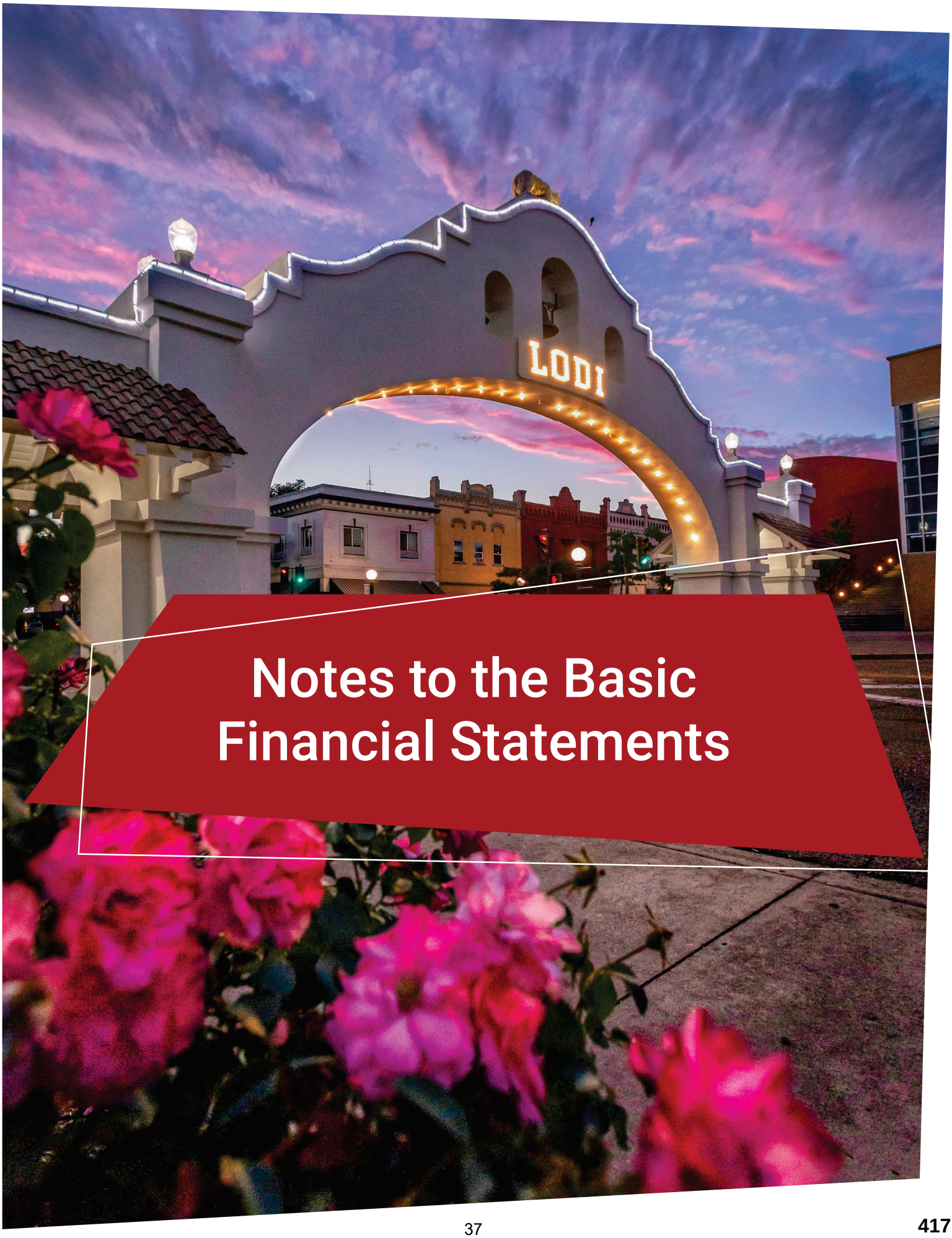

Notes to the Basic Financial Statements

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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Financial Reporting Entity

The City of Lodi (City) was incorporated on December 6, 1906, as a municipal corporation under the General Laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: general government, public works, community development, public protection (police and fire), public utilities, library, parks and recreation.

The accounting policies of the City conform to generally accepted accounting principles (GAAP) as applicable to governments in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

An elected five-member council governs the City of Lodi. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The component units, although legally separate entities, are, in substance, part of the City's operations and therefore, their activities are blended with data of the City.

Blended Component Units

The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the organization is able to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The Lodi Public Financing Authority is considered to be a blended component unit of the reporting entity of the City because its sole purpose is to finance and construct the City's public facilities. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported within the funds of the primary government. The Lodi Public Financing Authority does not issue separate component unit financial statements.

The City Council constitutes the Board of Directors of LPFA. The funds of LPFA have been included in the governmental activities, Enterprise (Wastewater and Water and Electric) Funds and in the accompanying basic financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities that rely, to a significant extent, on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as are the proprietary fund and private-purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grant and similar items are recognized as revenue as soon as all eligibility requirements have been met. Agency funds use the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers property tax revenues to be available if they are collected within 60 days of the end of the current fiscal year. All other revenues are considered to be available if they are generally collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to vacation, sick leave, claims and judgments, are recorded only when payment is due.

Property taxes, other local taxes, licenses, intergovernmental revenues, and interest associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available when the City receives cash.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, and internal service funds are charges for customer services including electric, wastewater, water and public transportation fees. Operating expenses for enterprise funds and internal service funds include the cost of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major governmental funds:

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

The Streets Fund accounts for Gas Tax revenues apportioned to the City under the State Streets and Highway Code, impact fees charged to provide for the building of various storm drains and street improvements needed to serve new developments, and to account for funds apportioned to the City for sales tax collections under Measure K.

The City reports the following major proprietary (enterprise) funds:

The Electric Fund accounts for the provision of electric services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, source of supply, overhead, systems maintenance, customer service, engineering, administration, capital improvements, and maintenance and debt service.

The Wastewater Fund accounts for the provision of wastewater collection and treatment services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, improvements and debt service.

The Water Fund accounts for the provision of water to the residents of the City as well as some customers in the San Joaquin County (County). All activities to provide such services are accounted for in this fund, including, but not limited to administration, operations, distribution, maintenance, capital improvements and debt service.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Additionally, the City reports the following fund types:

The Internal Service Funds account for the City's claims, benefits, fleet services and equipment/vehicle replacement.

Custodial Funds are used to account for the principal and income benefiting individuals, private organizations or other governments. They were established to account for assets held and invested by the Library Board as trustee; and to account for assets held by the City in accordance with a trust agreement on behalf of the Hutchins Square. These funds can only be spent in accordance with the trust agreements.

The effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are charges to other City departments from the Electric, Wastewater, Water and Transit Funds. These charges have not been eliminated because elimination would distort the direct costs and program revenues reported in the statement of activities.

D. Cash and Investments

The City maintains a cash and investment pool that is available for all funds of the City for the purpose of increasing interest earnings through investment activities. Investments are generally stated at fair value with the exception of guaranteed investment contracts, which are stated at cost. Income earned or losses arising from the investment of pooled cash are allocated to various funds based on month-end cash balances in accordance with California Government Code Section 53647. Changes in fair value of investments are recognized as a component of investment income.

E. Restricted Cash and Investments

The City accounts for certain settlement payments for environmental remediation as restricted with the understanding that these funds will be used exclusively for environmental cleanup, investigation or remediation expenses incurred by the City in the specified areas and that they will not be used for the payment of legal or technical fees. These funds are accounted for in the Water Fund.

The City has invested in the Public Agency Retirement Services (PARS) for the PARS Public Agencies Post-Employment Benefits Trust. This trust is to be used only for the payment of such post-employment benefits for retirees. These funds are accounted for in the General Fund; Streets; Parks, Recreation and Community Services; Community Development; Electric Utility; Wastewater; Water; Fleet and Non-major Transit Funds.

F. Restricted Cash and Investments with Fiscal Agents

Restricted assets represent the proceeds from debt and other cash and investments held by fiscal agents by agreement that meet the definition of cash and cash equivalents.

In the Electric Fund, restricted assets represent the proceeds of the 2018 Electric Bonds restricted for debt service. In the Wastewater Fund, the restricted assets represent the proceeds of the 2004A, the 2016A Refunding Wastewater Revenue Bonds and the 2017 Installment Purchase Agreement issued for improvements to the City's Wastewater collection, treatment and disposal system. In the Water Fund, restricted assets represent the 2020 Water Refunding Series A Bonds for debt service. In the Capital Outlay fund, restricted assets represent the proceeds of the 2022 Lease Revenue Bonds.

G. Receivables

Revenues are recorded when received in cash, except revenues subject to accrual (up to 90 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are sales tax, special assessments, intergovernmental revenues, other taxes, interest revenue, rental revenue and certain charges for services.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Federal and State grants are considered receivable and accrued as revenue when all eligibility requirements have been met under the accrual basis of accounting in the government-wide statement of net positions. The amount recognized as revenue under the modified accrual basis of accounting in the governmental funds is limited to the amount that is deemed measurable and available.

Billed but not collected and unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

H. Loan Receivables

Loans receivable reported in the HOME Program and Community Development Block Grants Special Revenue Fund represent funds loaned to first-time homebuyers. Loans receivable in the Electric Enterprise Fund represent loans to eligible industrial and commercial customers participating in the Lodi Energy Efficiency Financing Pilot Project.

In December 2009, the City entered into a contractual relationship with the California Department of Housing and Community Development (HCD) to administer a First-time Homebuyers Program. The loan program is intended to provide deferred down-payment assistance to first-time homebuyers who are at or below 80% of the median income, for the purchase of homes within Lodi. The loan bears 2% interest and is due and payable 30 years from close of escrow, upon transfer of the property or when the home is no longer owner-occupied, whichever comes first. At June 30, 2025, the outstanding balance of these loans amounted to $38,997.

In November 2023, the city entered into a contractual relationship with the California Capital Small Business Financial Development Corporation to administer a Microloan Program. The loan program is intended to provide loans to entrepreneurs and small businesses with ten or fewer employees who have experienced barriers to traditional sources of capital. At June 30, 2025, the outstanding balance of these loans amounted to $38,605.

I. Property Taxes

The County is responsible for assessing, collecting and distributing property taxes in accordance with enabling legislation. Revenue received is based on an allocation factor calculated by the County under the provisions of Proposition 13, plus a percentage of the increase in market value in specific areas. The City's property tax lien is based on the assessed value listed as of the prior January 1st for all real and personal property located in the City. Property sold after the assessment date (January 1st) is reassessed and the amount of property tax assessed is prorated. The assessed value on January 1, 2025, upon which the 2024-25 levy was based, was $9,638,706,003. Secured property taxes are levied on October 1 and are due in two installments on November 1 and February

The tax becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is levied on July 1, due on July 31 and becomes delinquent after August 31.

Property taxes levied for the year ended June 30, 2025, are recorded as receivables. Property taxes paid to the City by the County within 60 days of the fiscal year-end are considered "available" and are, therefore, recognized as revenue in governmental funds.

In 1993, the City made an agreement with San Joaquin County to participate in the Teeter Plan. The Teeter plan is an alternative method of apportioning property tax money. The City receives 95% of the property taxes in advance from the County and the 5% remaining after reconciling the City's balance at June 30. As part of the agreement, the County keeps the penalties and interest on the delinquent taxes.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Due From/Due To Other Funds, Advances To/Advances From Other Funds, and Internal Balances

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. In the fund financial statements, these receivables and payables are classified as “due from other funds” or “due to other funds”. Long-term interfund loans receivable are reported as “advances to other funds”. The corresponding long-term interfund loans payable are reported as “advances from other funds”. In the government-wide financial statements, these receivables and payables are eliminated within the governmental activities and business-type activities columns. Receivables and payables between the governmental activities and the business-type activities are classified as internal balances.

K. Transfers

In the fund financial statements, interfund transfers are recorded as transfers in (out) except for transactions that are described below:
Charges for services are recorded as revenues of the performing fund and expenditures/expenses of the requesting fund. Unbilled costs are recognized as an asset of the performing fund at the end of fiscal year. Reimbursements for expenditures/expenses, initially made by one fund that is properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund that is reimbursed.

L. Long-term Obligations

In the government-wide financial statements and in the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium. Losses occurring from advance refunding are reported as deferred outflows of resources and amortized as an expense for both governmental and business-type activities.

M. Advance Receivable

Advance receivable reported in the Electric Enterprise Fund represents the City’s portion of the Northern California Power Agency’s (NCPA) General Operating Reserve that is refundable upon demand by the City (See Note 12).

N. Inventory

Other governmental funds inventories are recorded at cost and are recognized as expenditures when consumed rather than when purchased. For the proprietary fund types, inventories are recorded at cost using the weighted average cost method, which approximates market, and expense is recognized when inventories are consumed in operations.

O. Deferred Outflows and Inflows of Resources

Unamortized Losses (Gains) on Refunding of Bonds

Deferred outflows of resources reported in the Wastewater Enterprise Fund include the refunding loss incurred on the issuance of the 2016 Refunding Revenue Bonds amortized over 21 years. Deferred outflows of resources reported in the Electric Utility Enterprise Fund include the 2018 Revenue Refunding Bonds amortized over 14 years. Deferred outflows of resources in the Water Enterprise Fund include the 2020 Water Revenue Refunding Bonds amortized over 20 years. Deferred outflows of resources reported in the governmental activities represent the 2022 Lease Refunding Bonds amortized over 31 years.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Related to Pensions

Pension contributions made in the current year, changes of assumptions, difference between expected and actual experience and the net difference between projected and actual earnings on plan investments are reported as deferred outflows or deferred inflows of resources in accordance with GASB Statement No. 71 as of the CalPERS' valuation measurement date June 30, 2024. These amounts are to be recognized in future pension expenses and the amortization period differs depending on the source of the gain or loss.

Related to OPEB

OPEB contributions made in the current year are reported as deferred outflows of resources per GASB Statement No. 71 as the CalPERS' valuation measurement date is June 30, 2024. Those contributions will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2024. Plan earnings in excess of earnings projected, changes in assumptions, differences between expected and actual experience in the OPEB actuarial report are reported as deferred outflows or inflows of resources.

Unavailable Revenue

The unavailable revenue in the governmental funds is related to the HCD's First-time Homebuyers Program, Development Impact Fees, and miscellaneous revenue for various projects. All fees are expected to be repaid in full.

Leases

Deferred inflows in the governmental funds are for the acquisition of net assets applicable to a future reporting period and are amortized over the life of the lease.

P. Capital Assets

Capital assets, which include land, works of art, buildings and improvements, machinery and equipment, vehicles, infrastructure (e.g., streets, streetlights, traffic signals, sidewalks, and bridges), and electric lines, wastewater lines and storm drains are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. Capital assets are defined by the City as assets with an individual cost of $10,000 or more and have an estimated useful life in excess of two years. Such assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. Capital outlay is recorded as expenditures in the General Fund and other governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met.

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $1,000 or more. The City recognizes all Subscription-Based Information Technology Arrangements (SBITAs), defined as a contract that conveys control of the right to use another part's (a SBITA vendor) IT software, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset useful lives are not capitalized. As required by the Governmental Accounting Standards Board Statement No. 34, beginning July 1, 2002, the City has capitalized infrastructure, primarily its network of streets, as part of the capital assets shown in the governmental activities column on the government-wide statement of net position. This capitalization included infrastructure that could be identified and has been acquired since July 1, 1980.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation of capital assets is provided on the straight-line basis over the following estimated useful lives:

	Years
Buildings and improvements	3-40
Machinery and equipment Vehicles	2-40
Vehicles	5-15
Infrastructure	10-50
Software	3-15

Q. Compensated Absences/Vacation and Sick Leave

The City accrues for compensated absences, in the government-wide financial statements and the proprietary funds financial statements, to pay its employees for the unused vacation, compensatory time, and miscellaneous leave. The City is not obligated to pay for unused sick leave if employees terminate prior to retirement.

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: bank or conversion. The bank option converts the unused sick leave into a dollar amount that will be placed into a “bank” to be used for medical insurance premiums for the employee. The conversion option takes the unused sick leave and converts it to days and the City will pay the medical insurance premiums for the employee for each day after conversion until the balance is exhausted.

R. Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Miscellaneous and Safety Plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following timeframes are used for Pensions reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

S. Other Post-Employment Benefits (OPEB)

For purposes of measuring the Net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions, and OPEB expense, information about the fiduciary net position of the plans and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. Self-Insurance

The City is self-insured for general liability, workers' compensation, dental benefits, unemployment and long-term disability. Various City funds are charged premiums for the City's self-insurance liability, which is accounted for in an internal service fund. The accrued liability for estimated self-insured claims represents an estimate of the eventual loss on claims arising prior to year-end including claims incurred but not reported.

U. Net Position

In the government-wide and proprietary funds financial statements, net position is reported in one of three categories:

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

Restricted Net Position – Assets restricted by external creditors, grantors, contributors, enabling legislation or laws or regulations of other governments reduced by liabilities related to those assets.

Unrestricted Net Position – This category consists of all net position that does not meet the definition of net investment in capital assets or restricted net position.

Fund balances presented in the governmental fund financial statements represent the difference between assets, liabilities and deferred inflows of resources. GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. GASB Statement No. 54 requires that the fund balances be classified in categories based upon the type of constraints imposed on the use of funds. The City evaluated each of its funds at June 30, 2025 and classified fund balances into the following five categories:

Non-spendable – Amounts that cannot be spent because they are (1) not in spendable form, such as prepaid items, inventories and long-term receivables for which the payment of proceeds are not restricted or committed with respect to the nature of the specific expenditures of that fund or (2) legally or contractually required to remain intact.

Restricted – Amounts that are restricted by external parties such as creditors or imposed by grants, laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The City has legislative restrictions on amounts collected and reported in the City's various governmental funds.

Committed – Amounts that can only be used for specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by City of Lodi's Council prior to the end of a fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.

Assigned – Amounts that have been allocated by the City's intent to be used for specific purposes. The intent can be established at either the highest level of decision making, which includes City Council or by an official designated such as the City Manager for such purpose.

Unassigned – Amounts that constitute the residual balances that have no restrictions placed upon them and are reported in the General Fund. For other governmental funds, as restrictions exceed available resources only deficit amounts are reported in the unassigned category.

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

The City does not have a policy on the order of spending unrestricted amounts when an expenditure is incurred for which amounts in any of the unrestricted fund balance classifications could be used. Therefore, by default under GASB Statement No. 54, the City uses committed resources first, then assigned resources and unassigned resources last as they are needed.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the City's policy to maintain an unassigned fund balance in the General Fund of at least 16% of revenues and working capital balances in the Water and Wastewater enterprise funds of at least 25% of operating expenses and the target for the Electric Enterprise Fund working capital is $26.8 million. The policy allows for variations from year-to year to account for economic and fiscal changes. The City Council also adopted a policy to establish the following reserves:

Catastrophic reserve – To maintain the ability of the City to meet operational costs during times of declared emergency or major catastrophe, the City shall designate General Fund balance of a minimum of 8% of annual General Fund revenues reported as unassigned fund balance. This reserve may only be drawn upon pursuant to an emergency as declared under the Municipal Code.

Economic reserve – To maintain the City's economic viability and to meet seasonal cash flow shortfalls, the City shall designate General Fund economic reserve balance of a minimum of 8% of annual General Fund revenues reported as unassigned fund balance. Funding the economic reserve will begin in the fiscal year following full funding of the catastrophic reserve. Funding may only be disbursed upon a resolution of the City Council.

Once fully funded, if these reserves fall below 5% of annual revenues, the City Manager shall prepare a plan within three months of approval of the City's financial statements. This plan will restore the 5% within 12 months and the 8% within 24 months.

V. Statement of Cash Flows

A statement of cash flows is presented for proprietary fund types. For purposes of reporting cash flows, the City considers all highly liquid investments with maturities of three months or less when purchased and investments maintained in the pool to be cash equivalents.

W. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates

X. Leases and Subscriptions

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $1,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.

- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Subscriptions

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City recognizes all Subscription-Based Information Technology Arrangements (SBITAs), defined as a contract that conveys control of the right to use another part's (a SBITA vendor) IT software, as specified in the contract for a period of time in an exchange or exchange-like transaction. Short-term SBITAs are excluded, defined as having a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of exercise.

Key estimates and judgments related to subscriptions include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses its estimated incremental borrowing rate as the discount rate for subscriptions.

- The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and extension option prices that the City is reasonably certain to exercise.

Y. New GASB Pronouncements Adopted

The following Government Accounting Standards Board (GASB) pronouncement was effective for and implemented for the fiscal year ended June 30, 2025:

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GASB Statement No. 101, Compensated Absences

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

GASB Statement No. 102, Certain Risk Disclosures

The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

Management has assessed the impact of this Statement on the City's financial statements and determined that it did not have a material impact.

Upcoming New GASB Pronouncements

GASB Statement No. 103, Financial Reporting Model Improvements

The requirements of this Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

The Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

This Statement also requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses. In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 104, Disclosure of Certain Capital Assets

The requirements of this statement will provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

GASB Statement No. 105, Subsequent Events

The requirements of this Statement will improve financial reporting by establishing clear, consistent guidance for state and local governments on identifying and disclosing events occurring after the financial statement date but before they are available to be issued.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2026, and all reporting periods thereafter.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business - type Activities	Total	Fiduciary Funds Statement of Net Position	Total
Cash and investments	$ 113,893,664	$ 120,150,388	$ 234,044,052	$ 185,608	$ 234,229,660
Restricted cash and investments	40,640,804	16,195,227	56,836,031	-	56,836,031
Total	$ 154,534,468	$ 136,345,615	$ 290,880,083	$ 185,608	$ 291,065,691

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2025 consist of the following:

Cash on hand	$ 4,696
Demand deposits	8,944,295
	8,948,991
Investments	282,116,700
Total cash and investments	$ 291,065,691

A. Authorized Investments

The City has adopted an investment policy pursuant to Government Code Section 53601, which authorizes the City to invest surplus funds in the City Treasury in certain investment categories authorized by the California Government Code and the City's Investment Policy. The City's Investment Policy is more restrictive than the Government Code.

The following table identifies the permitted investment types authorized per the City's investment policy. The table also identifies certain provisions that address interest rate risk and concentration of credit risk.

Permitted Investments	Maturity	Maximum % of Portfolio	Minimum Quality Requirements
U.S. Treasury Obligations	5 Years	100%	None
US Government Agency Securities & Instrumentalities	5 Years	100%	None
Bankers Acceptances	180 Days	40%	None
Certificates of Deposit	5 Years	100%	None
Negotiable Certificates of Deposit	5 Years	30%	None
Commercial Paper	270 days	30%	Credit rating of P1/A1 or A1+/F1 or F1+ by Moody's S&P or Fitch
California State Local Agency Investment Fund	Indefinite	100%	None
Passbook Deposits	Indefinite	100%	None
Mutual Funds & Money Market Mutual Funds	N/A	20%	Multiple Requirements per Gov't Code
Medium Term Corporation Notes	5 years	30%	A -/A3/A- by Moody's, S&P, or Fitch
Joint Powers Authority Pool	Indefinite	30%[1]	Multiple Requirements per Gov't Code
Certificates of Deposit Account Registry Service (CDARS)	Indefinite	30%	None
Supranational Obligations	5 Years	30%	A A-/Aa3/AA- by Moody's, S&P, or Fitch
Municipal Securities (50 States or California Local Agencies)	5 Years	100%	None

(1) Funds held at NCPA shall not count to this limit

B. Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by the provisions of the debt agreements as to the extent that they are permissible investments of funds of the City.

C. Restricted Cash

The City has established a pension stabilization account with Public Agency Retirement Services (PARS), which invests in a Balanced Index PLUS Fund. The investments made by the City to this fund, are in restricted cash and investments.

Restricted assets represent the proceeds from debt and other cash and investments held by fiscal agents by agreement that meet the definition of cash and cash equivalents.

In the Electric Fund, restricted assets represent the proceeds of the 2018 Electric Bonds restricted for debt service. In the Wastewater Fund, the restricted assets represent the proceeds of the 2004A, the 2016A Refunding Wastewater Revenue Bonds and the 2017 Installment Purchase Agreement issued for improvements to the City's Wastewater collection, treatment and disposal system. In the Water Fund, restricted assets represent the 2020 Water Refunding Series A Bonds for debt service. In the Capital Outlay fund, restricted assets represent the proceeds of the 2022 Lease Revenue Bonds.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

D. Disclosure Relating to Interest Rate Risk and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio, as well as limiting a securities maturity to five years or less for investments in the investment pool. Investments held outside the investment pool can have longer maturities as these funds are restricted by bond covenants and are held to the maturity of the bonds.

Investment Type	AAA/Aaa	AA+/AA/AA-	A+/A/A-	BBB+/BBB/BBB-	Not Rated	Total
Investments by Fair Value:						
Held by Trustee:						
US Agency Securities	$ -	$ 16,272,268	$ -	$ -	$ 1,024,816	$ 17,297,084
Money Market Mutual Funds	-	-	-	-	97,515,763	97,515,763
Municipal Securities	7,071,501	23,660,258	3,059,975	-	2,334,504	36,126,238
Corporate Securities	3,619,704	9,976,260	9,735,273	489,818	244,051	24,065,106
Negotiable Certificate of Deposits	-	-	-	-	3,205,214	3,205,214
Sovereigns, Supranational & Agencies	6,466,925	-	-	-	484,726	6,951,651
Exempt from Credit Rating Disclosure:						
U.S Treasury Notes	-	3,120,201	-	-	-	3,120,201
Held by City:						
CALTRUST	-	-	-	-	11,343,695	11,343,695
PARS	-	-	-	-	31,739,639	31,739,639
Local Bank Certificate of Deposits	-	-	-	-	733,479	733,479
Demand Deposits	-	-	-	-	8,944,295	8,944,295
Cash on hand	-	-	-	-	4,696	4,696
LAIF	-	-	-	-	50,018,630	50,018,630
Total Cash and Investments	$ 17,158,130	$ 53,028,987	$ 12,795,248	$ 489,818	$ 207,593,508	$ 291,065,691

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below and on the following page is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating at year end for each investment type.

E. Concentration of Credit Risk

The California Government Code and the investment policy of the City contain limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than investments issued by or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools, and other pooled investments) that represent 5% or more of the total City investments are required to be disclosed. Investments in LAIF, CalTRUST, and money market mutual funds are not subject to the concentration of credit risk disclosure. The City holds 37.61% of its investments in the various securities. These investments in aggregate total are greater than 5% of the total investments, and no one individual holding is greater than 5% of the total investments.

Reporting Unit	Investment Type	Reported amount
Entity Wide:		
Federal Home Loan Bank	Agency Securities	$ 8,561,395
Federal Farm Credit Bank	Agency Securities	5,637,025

F. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured deposits. The City's deposits with financial institutions exceeded federal depository insurance limits by $57,881,257 and was collateralized.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools such as LAIF.

Investment Type	12 Months or Less	13 to 24 Months	24 to 36 Months	37 to 60 Months	Total
Investments by Fair Value					
Held by City:					
CALTRUST	$ 11,343,695	$ -	$ -	$ -	$ 11,343,695
LAIF	50,018,630	-	-	-	50,018,630
PARS	31,739,639	-	-	-	31,739,639
Local Bank Certificate of Deposits	733,479	-	-	-	733,479
Cash on Hand	4,696	-	-	-	4,696
Demand Deposits	8,944,295	-	-	-	8,944,295
Held by Trustee:					
Negotiable Certificate of Deposits	-	1,952,626	999,692	252,896	3,205,214
US Agency Securities	3,630,941	4,072,536	1,008,115	8,585,492	17,297,084
Money Market Mutual Funds	97,515,763	-	-	-	97,515,763
Municipal Securities	13,826,280	13,109,029	6,030,153	3,160,776	36,126,238
Corporate Securities	9,015,867	8,862,948	5,151,352	1,034,939	24,065,106
Sovereigns, Supranational & Agencies	1,852,808	2,073,612	1,000,502	2,024,729	6,951,651
U.S Treasury Notes	2,638,756	481,445	-	-	3,120,201
Total Cash and Investments	$ 231,264,849	$ 30,552,196	$ 14,189,814	$ 15,058,832	$ 291,065,691

G. Investments in Investment Pools

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio. At June 30, 2025, the City's investment position in LAIF was $50.0 million. The City is also a voluntary participant in the CalTRUST which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST, and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2025, the City's investment in CalTRUST is $11.3 million; all of which is invested in the Medium term fund.

H. Investments in Guaranteed Investment Contracts

The City has entered into nonparticipating guaranteed investment contracts (GICs), which are authorized under bond documents as outlined in the City's investment policy or the debt agreement. GICs are non-marketable interest bearing agreements with or guaranteed by certain financial institutions. The agreements provide for a guaranteed return on principal over a specified period. A GIC is a general obligation instrument issued by a financial institution, subject to applicable legal restrictions. The City's investments in GIC's represent proceeds from bond issues that have been set aside (held for the benefit of the bondholders) as debt service reserves and proceeds of bonds that have been invested until used on the projects being financed. The investment contracts holding debt service reserves are held long-term and bear interest 5.46%, while most project funds are invested short-term with lower rates. As of June 30, 2025, the bond obligations associated with the investment contracts were fully repaid during fiscal year 2025 and the collateralized investment proceeds were released from debt service restriction and returned to the City in accordance with the terms of the legal agreements.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

I. Fair Value Measurements

In accordance with GASB Statement 72, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability.

Valuation inputs are assumptions that market participants use in pricing an asset or liability. The hierarchy of inputs used to generate the valuation is classified into three different levels.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities at the measurement date.

- Level 2 inputs include quoted prices for similar assets or liabilities in markets that are active; quoted prices for identical or similar assets or liabilities in markets that are not active; and inputs other than quoted prices that are observable for an asset, either directly or indirectly.

- Level 3 inputs are unobservable inputs from the asset or liability where there is very little market activity and they should be used only when relevant Level 1 and Level 2 inputs are unavailable.

The City uses the market approach for determining the fair value levels. The market approach uses the prices associated with actual market transactions for similar or identical assets and liabilities to derive a fair value. The City has the following fair value measurements as of June 30, 2025.

Investment Type	Level 2
Investments by Fair Value:	
Held by Trustee:	
Negotiable Certificate of Deposits	$ 3,205,214
US Agency Securities	17,297,084
Sovereigns, Supranational & Agencies	6,951,651
U.S Treasury Notes	3,120,201
Municipal Securities	36,126,238
Corporate Securities	24,065,106
Subtotal	90,765,494
Investments Exempt from Fair Value Hierarchy :	
Held by City:	
CALTRUST	11,343,695
PARS	31,739,639
LAIF	50,018,630
Local Certificate of Deposits	733,479
Money Market	97,515,763
Cash on Hand	4,696
Demand Deposits	8,944,295
Total Cash and Investments	$ 291,065,691

NOTE 3: ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Receivables of the General Fund, Electric, Wastewater and Water funds, as well as the miscellaneous receivables are reported net of uncollectible amounts. The write off policy for the City is all receivables over 120 days are considered an uncollectible account. Total allowance provided for uncollectible amounts related to receivables of the current period.

Uncollectibles related to:		
Late charges and services	$	313,466
Electric sales and services		6,494,764
Wastewater services		1,505,551
Water sales and services		1,292,095
Miscellaneous billing		20,468
Total uncollectibles, at end of fiscal year	$	9,626,344

NOTE 4: INTERFUND RECEIVABLES/PAYABLES

Due to	Due from	Amount
General Fund	Other Governmental Funds	$ 576,470

"Due to" and "due from" balances are recorded primarily when funds overdraw their share of pooled cash or when there are short-term loans between funds.

NOTE 5: TRANSFERS

Transfers for the year ended June 30, 2025, are summarized as follows:

	Transfers In			
	General	Streets	Other Governmental	Total
Transfers Out:				
General	$ 2,988,150	$1,222,990	$ 8,672,190	$12,883,330
Streets	567,110	-	-	567,110
Other governmental	1,691,290	-	436,220	2,127,510
Electric	3,410,690	-	125,000	3,535,690
Wastewater	1,371,620	-	-	1,371,620
Water	1,457,550	-	-	1,457,550
Non-major Transit	280,940	-	-	280,940
Internal Service	-	-	10,000	10,000
Total	$11,767,350	$1,222,990	$ 9,243,410	$22,233,750

During the year, various interfund transfers were made to finance expenditures, subsidize operating losses and service debt.

NOTE 5: TRANSFERS (CONTINUED)

Transfers out of $3,410,690 from the Electric Fund, $1,371,620 from the Wastewater Fund, $1,457,550 from the Water Fund and $280,940 from the Transit Fund represent operating contributions to the General Fund.

The transfer of $1,222,990 from the General Fund to the Streets Fund is for operations and for various streets projects.

The transfer of $8,672,190 from the General Fund to other governmental funds represents transfer of $1,208,080 to the Debt Service Fund for the interest required to pay the 2022 Refunding Lease Revenue Bonds; $6,669,910 to Parks, Recreation, and Community Services Fund for operating costs; $165,000 to Community Development for operating costs; and $629,200 to Capital Outlay Fund for capital projects.

In addition, Other Governmental Funds transferred to the General Fund $436,220 for normal operating costs.

The transfer of $125,000 from Electric Utility Public Benefit Fund to other governmental funds is for the Community Development Access Center project.

NOTE 6: CAPITAL ASSETS

A. Capital Assets Activity

Capital assets activity of the primary government for the year ended June 30, 2025, was as follows:

Governmental Activities:	July 1, 2024	Additions	Retirements	Transfers	June 30, 2025
Capital assets, not being depreciated:					
Land	$ 29,434,399	$ -	$ -	$ -	$ 29,434,399
Work of art	304,907	-	-	-	304,907
Construction in progress	21,806,754	15,125,756	-	(4,886,623)	32,045,887
Total capital assets, not being depreciated/amortized	51,546,060	15,125,756	-	(4,886,623)	61,785,193
Capital assets, being depreciated/amortized					
Buildings and improvements	86,360,781	-	-	-	86,360,781
Machinery and equipment	19,127,370	262,997	-	-	19,390,367
Vehicles	16,900,906	799,212	(159,960)	-	17,540,158
Infrastructure	209,991,443	3,796,948	-	4,886,623	218,675,014
Subscription assets - software	4,839,599	319,601	(38,714)	-	5,120,486
Total capital asets, being depreciated/amortized	337,220,099	5,178,758	(198,674)	4,886,623	347,086,806
Less accumulated depreciation/amortization :					
Buildings and improvements	50,306,543	1,861,158	-	-	52,167,701
Machinery and equipment	15,743,790	540,273	-	-	16,284,063
Vehicles	10,886,076	818,630	(150,333)	-	11,554,373
Infrastructure	137,614,178	3,939,286	-	-	141,553,464
Subscription assets - software	1,156,546	645,905	(36,364)	-	1,766,087
Total accumulated depreciation/amortization	215,707,133	7,805,252	(186,697)	-	223,325,688
Total capital assets, being depreciated/amortization,net	121,512,966	(2,626,494)	(11,977)	4,886,623	123,761,118
Governmental activities capital assets, net	$ 173,059,026	$ 12,499,262	$ (11,977)	$ -	$ 185,546,311

NOTE 6: CAPITAL ASSETS (CONTINUED)

Business-type Activities:	July 1, 2024	Additions	Retirements	Transfers	June 30, 2025
Capital assets, not being depreciated/amortized:					
Land	$ 5,535,719	$ -	$ -	$ -	$ 5,535,719
Construction in progress	14,513,003	8,277,541	-	(4,784,380)	18,006,164
Total capital assets, not being depreciated/amortized	20,048,722	8,277,541	-	(4,784,380)	23,541,883
Capital assets, being depreciated/amortized					
Buildings and improvements	67,703,467	-	-	-	67,703,467
Machinery and equipment	366,233,576	4,134,228	-	4,784,380	375,152,184
Vehicles	18,207,874	1,759,513	(125,433)	-	19,841,954
Leased assets - land	45,525	-	-	-	45,525
Subscription assets - software	677,740	409,813	(134,437)	-	953,116
Total capital asets, being depreciated/amortized	452,868,182	6,303,554	(259,870)	4,784,380	463,696,246
Less accumulated depreciation/amortization :					
Buildings and improvements	31,491,223	1,869,888	-	-	33,361,111
Machinery and equipment	165,089,894	9,604,563	-	-	174,694,457
Vehicles	9,771,080	1,032,983	(125,432)	-	10,678,631
Leased assets - land	2,061	687	-	-	2,748
Subscription assets - software	191,822	182,272	(71,800)	-	302,294
Total accumulated depreciation/amortization	206,546,080	12,690,393	(197,232)	-	219,039,241
Total capital assets, being depreciated/amortization,net	246,322,102	(6,386,839)	(62,638)	4,784,380	244,657,005
Business-type activities capital assets, net	$ 266,370,824	$ 1,890,702	$ (62,638)	$ -	$ 268,198,888

B. Capital Assets Activity

Depreciation expense was charged to function/programs of the primary government as follows:

Governmental Activities:	
General government	$ 1,339,622
Public protection	896,153
Public works	3,377,604
Library	67,956
Parks and recreation	1,418,412
Community development	58,153
Internal service funds	1,447
Total depreciation expense	$ 7,159,347

Business-type Activites:	
Electric	$ 2,632,514
Wasewater	4,846,537
Water	3,738,584
Transit	1,289,799
Total depreciation expense	$12,507,434

C. Lease Amortization

Business- Type Activities	
Water	$ 687
	$ 687

NOTE 6: CAPITAL ASSETS (CONTINUED)

D. Subscription Amortization

Governmental Activities		Business- Type Activities	
Governmental	$ 612,506	Electric	$ 81,988
Library	32,087	Wastewater	27,177
Internal service funds	1,312	Water	73,107
	$ 645,905		$ 182,272

NOTE 7: LONG – TERM LIABILITIES

A. Long-Term Liability Transactions Summary

The following is a summary of long-term liability transactions of the City for the year ended June 30, 2025:

Governmental activities	July 1, 2024, as restated	Additions	Reductions	June 30, 2025	Amounts Due Within One Year
Compensated absences	$ 10,792,372	$ 602,958	* $ -	$ 11,395,330	$ 4,374,296
Self-insurance liability (Note 11)	8,000,125	184,453	(166,662)	8,017,916	-
Subscription payable (Note 10)	3,631,370	292,095	(622,400)	3,301,065	636,570
Publicly offered:					
2022 Lease Revenue Bonds	26,935,000	-	(680,000)	26,255,000	705,000
Issuance premium	589,155	-	(20,463)	568,692	-
Total	27,524,155	-	(700,463)	26,823,692	705,000
Governmental activities long-term liabilities	$ 49,948,022	$ 1,079,506	$ (1,489,525)	$ 49,538,003	$ 5,715,866

Business-type activities	July 1, 2024, as restated	Additions	Reductions	June 30, 2025	Amounts Due Within One Year
Compensated absences	$ 2,291,464	$ 432,273	* $ -	$ 2,723,737	$ 1,721,379
Lease payable (Note 10)	43,882	-	(468)	43,414	474
Subscripton payable (Note 10)	418,540	409,812	(256,269)	572,083	186,863
Pollution remediation obligation (Note 15)	14,132,011	-	(508,393)	13,623,618	400,000
Publicly offered:					
Certificates of Participation, Revenue Bonds, and Installment Purchase Agreement:					
2004 Certificates of Participation A	2,070,000	-	(2,070,000)	-	-
2016 Wastewater Refunding Revenue Bonds A	19,550,000	-	(435,000)	19,115,000	2,070,000
2016 Issuance premium	1,669,981	-	(130,978)	1,539,003	
Total 2016 Wastewater Refunding Revenue Bonds A	21,219,981	-	(565,978)	20,654,003	2,070,000
2017 Installment Purchase Agreement	7,061,934	-	(226,831)	6,835,103	788,707
2018 Electric System Refunding Revenue Bonds	30,195,000	-	(2,735,000)	27,460,000	2,875,000
2018 Issuance premium	3,738,337	-	(477,246)	3,261,091	-
Total 2018 Electric System Refunding Revenue Bonds	33,933,337	-	(3,212,246)	30,721,091	2,875,000
2020 Water Refunding Revenue Bonds	22,485,000	-	(1,045,000)	21,440,000	1,085,000
2020 Issuance premium	2,716,111	-	(170,647)	2,545,464	-
Total 2020 Water Refunding Revenue Bonds	25,201,111	-	(1,215,647)	23,985,464	1,085,000
Total Certificates of Participation, Revenue Bonds, and Installment Purchase Agreement:	89,486,363	-	(7,290,702)	82,195,661	6,818,707
Business-type activities long-term liabilities	$ 106,372,260	$ 842,085	$ (8,055,832)	$ 99,158,513	$ 9,127,423

*Compensated absences shown as a net change in accordance with GASB 101, Compensated Absences.

B. Other Long-Term Liabilities

The net pension liability and OPEB liability will be liquidated from the general fund, approximately 31.14%. The Community Development fund and Parks, Recreation and Cultural Services fund will liquidate approximately 5.66% and 7.17% and a portion from the internal service fund. Proprietary funds pay their appropriate share of the liabilities. Electric Utility will normally liquidate 28.97%, Water will normally liquidate 1.67%, Wastewater will liquidate 17.51% and Transit will liquidate 1.31%.

NOTE 7: LONG – TERM LIABILITIES (CONTINUED)

C. Certificates of Participation, Revenue Bonds and Installment Purchase Agreement

Governmental Activities:

On March 2, 2022, the City issued $28,250,000 Lease Revenue Bonds (2022 Bonds) to prepay and cause the immediate refunding of the outstanding $19,080,000 2012 Refunding Lease Revenue Bonds and to finance the acquisition and construction of capital improvements of the City, including a new animal shelter and parks and playground improvements and upgrades. The refunding allowed the City to keep debt service payments consistent with the previous schedule, while allowing the City to fund much needed capital projects. The total principal and interest remaining is $40,077,306. Principal is payable annually commencing 2022 on October 1 in amounts from $705,000 to $1,255,000 with final payment due October 1, 2052.

Business-type Activities:

On May 12, 2004, the City issued $27,360,000 Certificates of Participation (2004A COP) to provide funds to finance the costs of certain improvements to the wastewater collection, treatment and disposal system of the City. Principal is payable annually commencing 2024 on October 1 in amounts from $170,000 to $2,070,000. The City had pledged wastewater revenues, net of specified operating expenses, to repay these certificates. The City made their final payment on this bond during fiscal year ended June 30, 2025.

On March 10, 2016, the City issued $20,295,000 2016 Refunding Wastewater Revenue Bonds Series A (2016 Bonds) for an advance refunding of the $21,415,000 principal amount of the 2007 Wastewater Revenue Certificates of Participation. Principal is payable annually on October 1 in amounts ranging from $110,000 to $2,175,000 beginning in 2018 with final payment due in 2037. The City pledged future wastewater revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the 2016 bonds is $23,998,006. Interest paid for the current year and total net revenues were $819,800 and $9,232,856, respectively. At June 30, 2025, the total principal and interest remaining to be paid on the refunded debt is $19,115,000.

On December 1, 2017, the City issued $7,762,794 2017 Installment Purchase Agreement for an advance refunding of the $7,555,000 principal amount of the 2007 Wastewater Revenue Certificates of Participation. Principal is payable annually on October 1 in amounts ranging from $107,000 to $545,000 beginning in 2018 with final payment due in 2037. The City pledged future wastewater revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the 2017 Agreement is $7,997,630. The outstanding notes from direct borrowings related to business-type activities of $7,762,794 contain a provision that in an event of default, the timing of repayment of outstanding amounts, principal and interest, become immediately due and payable.

On June 13, 2018, the City issued $41,610,000 Electric System Revenue Refunding Bonds (2018 Bonds) to allow the City to prepay and cause the immediate refunding of the outstanding $55,785,000 Certificates of Participation (Electric System Revenue Certificates of Participation 2008 Series A). Principal is payable annually on September 1 in amounts ranging from $1,710,000 to $4,045,000 beginning in 2019 with final payment due in 2032. The City has pledged future electric revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the certificates is $33,989,250.

On April 8, 2020, the City issued $25,390,000 Water Revenue Refunding Bonds (2020 Bonds) to allow the City to prepay and cause the immediate refunding of the outstanding $29,650,000 principal of Lodi Public Financing Authority 2010 Water Revenue Bonds, Series B (Federally Taxable – Build America Bonds). Principal is payable annually on June 1 in amounts ranging from $930,000 to $1,835,000 beginning in 2024 with final payment due in 2040. The City has pledged future water revenues, net of specified operating expenses, to repay these certificates. The total principal and interest remaining to be paid on the certificates is $28,624,950.

The various indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts and minimum revenue bond coverage. The City is in compliance with all such significant limitations and restrictions.

NOTE 7: LONG – TERM LIABILITIES (CONTINUED)

Annual debt service requirements to maturity for certificates of participation and bonds are as follows:

Year Ending	Governmental Activities		Business-type Activities	
June 30,	Principal	Interest	Principal	Interest
2026	$ 705,000	$ 931,600	$ 6,818,707	$ 3,187,421
2027	735,000	902,800	7,132,980	2,874,747
2028	765,000	872,800	5,815,807	2,553,170
2029	795,000	841,600	6,092,458	2,283,094
2030	825,000	809,200	6,373,363	2,000,089
2031-2035	4,660,000	3,512,100	27,803,390	5,535,097
2036-2040	4,445,000	2,665,969	14,813,398	1,326,114
2041-2045	4,415,000	1,973,975	-	-
2046-2050	5,270,000	1,118,188	-	-
2051-2053	3,640,000	194,075	-	-
Total	$ 26,255,000	$ 13,822,307	$ 74,850,103	$ 19,759,732

NOTE 8: PENSION PLANS

A. Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous and Safety Plans (Plans), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

B. Benefits Provided

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

NOTE 8: PENSION PLANS (CONTINUED)

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

City Miscellaneous Plan		
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-67	52-67
Monthy benefit as a % of eligible compensation	1.426%-2.418%	1% to 2.5%
Required employee contribution rates	7%	6.75%
Required employer contribution rates	21.80%	21.80%

City Safety Plan			
Hire Date	Prior to January 1, 2013	December 22, 2012 to December 31, 2012	On or After January 1, 2013
Benefit formula	3.0% @ 50	3% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	52-67
Monthy benefit as a % of eligible compensation	3%	2.4% to 3%	2% to 2.7%
Required employee contribution rates	9%	9%	11.25%
Required employer contribution rates	44.75%	44.75%	44.75%

C. Employees Covered

At June 30, 2025, the most recent actuarial valuation available, the following employees were covered by the benefits of the City's Plans:

	Miscellaneous Plan	Safety Plan
Inactive employees or beneficiaries currently receiving benefits	476	203
Inactive employees entitled but not yet receiving benefits	290	95
Active employees	300	120
Total	1,066	418

D. Contributions

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

	Miscellaneous	Safety	Aggregate Total
Contributions - employer	$ 6,987,364	$ 11,050,288	$ 18,037,652

NOTE 8: PENSION PLANS (CONTINUED)

E. Net Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures.

F. Actuarial Assumptions

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan	Safety Plan
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry- Age Normal Cost Method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Investment Rate of Return	6.80%[(1)]	6.80%[(1)]
Mortality	Based on rates of CALPERS Experience Study	

[(1)] Net of pension plan investment expenses, including inflation.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the 2021 CalPERS Experience Study for the period from 2000 to 2019. Further details of the Experience Study can be found on the CalPERS website.

G. Discount Rate

The discount rate used to measure the total pension liability was 6.90% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

NOTE 8: PENSION PLANS (CONTINUED)

Asset Class	Current Target Allocation	Real Return 1, 2
Public Equities Cap Weighted	33.00%	4.54%
Public Equities - Factor Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	7.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	3.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected inflation of 2.30% used for this period.
(2) Figures are based on the 2022 Asset Liability Management study.

H. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Increase (Decrease)		
Balance at June 30, 2023, Measurement Date	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	$ 239,658,336	$ 167,363,801	$ 72,294,535
Changes in the year:			
Service cost			
Interest on the total pension liability	4,594,135	-	4,594,135
Changes of benefit terms	16,399,225	-	16,399,225
Differences between expected and actual experience	2,380,220	-	2,380,220
Contribution - employer	-	6,791,999	(6,791,999)
Contribution - employee	-	3,314,853	(3,314,853)
Net investment income (1)	-	16,048,840	(16,048,840)
Benefit payments, including refunds of employee contributions	(13,331,380)	(13,331,380)	-
Other changes in fiduciary net position	-	(136,184)	136,184
Net changes during measurement period	10,042,200	12,688,128	(2,645,928)
Balance at June 30, 2024, Measurement Date	$ 249,700,536	$ 180,051,929	$ 69,648,607

Safety Plan:

	Increase (Decrease)		
Balance at June 30, 2023, Measurement Date	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	$ 251,257,140	$ 150,112,815	$ 101,144,325
Changes in the year:			
Service cost	4,428,097	-	4,428,097
Interest on the total pension liability	17,260,601	-	17,260,601
Differences between expected and actual experience	3,280,114	-	3,280,114
Contribution - employer	-	9,139,667	(9,139,667)
Contribution - employee	-	2,779,255	(2,779,255)
Net investment income (1)	-	14,564,232	(14,564,232)
Benefit payments, including refunds of employee contributions	(13,195,347)	(13,195,347)	-
Other changes in fiduciary net position	-	(122,147)	122,147
Net changes during measurement period	11,773,465	13,165,660	(1,392,195)
Balance at June 30, 2024, Measurement Date	$ 263,030,605	$ 163,278,475	$ 99,752,130

(1) Net of administrative expenses.

NOTE 8: PENSION PLANS (CONTINUED)

I. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Plan	Safety Plan
1% Decrease	5.90%	5.90%
Net Pension Liability	$ 101,593,188	$ 136,201,165
Current Discount Rate	6.90%	6.90%
Net pension Liability	$ 69,648,607	$ 99,752,130
1% Increase	7.90%	7.90%
Net pension Liability	$ 43,192,689	$ 69,974,859

J. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

K. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized pension expense of $6,987,364, and $11,050,288 for the Miscellaneous and Safety Plans, respectively.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan		Safety Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,987,364	$ -	$ 11,050,288	$ -	$ 18,037,652	$ -
Changes of assumptions	-	-	2,518,380	-	2,518,380	-
Difference between expected and actual experience	2,776,900	-	4,833,539	-	7,610,439	-
Net differences between projected and actual earnings on plan investments	2,575,816	-	2,202,683	-	4,778,499	-
Total	$ 12,340,080	$ -	$ 20,604,890	$ -	$ 32,944,970	$ -

The $6,987,364 and $11,050,288 reported as deferred outflows of resources related to contributions subsequent to the fiscal year will be recognized as a reduction of the net pension liability in the next fiscal year for the year ending June 30. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended June 30:	Miscellaneous Plan	Safety Plan	Total
2025	$ 1,623,968	$ 4,404,220	$ 6,028,188
2026	5,227,718	5,855,606	11,083,324
2027	(574,358)	146,835	(427,523)
2028	(924,612)	(852,059)	(1,776,671)
Total	$ 5,352,716	$ 9,554,602	$ 14,907,318

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. Plan Description

The City sponsors a single-employer defined-benefit postemployment healthcare plan (Retiree Health Plan) to provide medical insurance benefits to eligible retired employees and their spouses. The Plan does not issue a publicly available financial report. Medical coverage is provided through CalPERS healthcare program. Employees who retire from the City and receive a CalPERS pension are eligible for postemployment medical benefits. The City contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act. In general, retirees must contribute any premium amounts in excess of the City contribution. However, as described below, a closed group of active employees and retirees receive additional postemployment benefits.

Employees hired prior to the dates shown in the following table are allowed to convert their accumulated sick leave into postemployment medical benefits at retirement as long as they have ten or more years of service with the City.

Group	Hired prior to:
Executive Management	July 1, 1994
Mid-Management	July 1, 1994
Fire Mid-Management	December 6, 1995
Police Mid-Management	July 1, 1994
General Services	July 1, 1995
IBEW	July 1, 1995
Maintenance and Operators	July 1, 1995
Dispatchers	July 9, 1994
Police	October 10, 1994
Fire	December 6, 1995

B. Eligibility

Employees of the City are eligible for retiree health benefits if they retire from the City and commence pension benefits under PERS (typically on or after age 50 with at least five years of PERS eligible service). Membership in the plan consisted of the following at June 30, 2023, the date of the latest actuarial valuation.

Eligibility	Plan
Active plan members	312
Inactive plan members entitled to, but not yet receiving benefits	107
Retirees electing coverage	200
Retirees	9
Total	628

C. Funding Policy

Contribution requirements of the Retiree Health Plan are based on pay-as-you-go financing. The City's policy is to fund the normal cost (current accrual for benefits being earned) plus an amortization of the net (unfunded accrued) OPEB liability. For fiscal year 2024-25, the City contributed $1,687,041.

D. Net OPEB Liability

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Total OPEB Liability	$ 19,409,598
Fiduciary Net Position	2,397,344
Net OPEB Liability	$ 17,012,254

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

E. Actuarial Methods and Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and the plan members to that point. The actuarial methods and the assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

F. Actuarial Valuations

The net OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability	
Valuation date: June 30, 2023	Measurement date: June 30, 2024
Actuarial Cost Method	Entry Age Normal level of percent of pay cost method
Actuarial Assumptions:	
Discount Rate	4.92%
Inflation	2.50%
Wage Inflation	3.00%
Expected Rate of Return	6.25%
Healthcare Trend Rate	An annual healthcare cost trend rate of 6.3% initially reduced by decrements to an ultimate of 3.9%.

G. Discount Rate

The discount rate used to measure the net OPEB liability was 4.92%. This discount rate assumes the City continues to fully fund for its retiree health benefits through the “California Employers Retiree Benefit Trust” (CERBT) under its investment allocation strategy 2. The rate reflects the OPEB published median interest rate for strategy 1 of 5.5% with an additional margin for adverse deviation.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	34.00%	5.00%
Fixed income	41.00%	5.00%
TIPS	5.00%	3.00%
Commodities	3.00%	3.00%
Cash	0.00%	2.00%
Global real estate (REITs)	17.00%	5.00%

(1) Long term expected rate of return in 5.5%

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate 1-percentage point lower (3.92%) or 1-percentage point higher (5.92%) than the current discount rate:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (3.92)	Current Discount Rate (4.92%)	Discount Rate + 1% (5.92%)
$ 18,904,342	$ 17,012,254	$ 15,402,058

H. Sensitivity of the Net OPEB Liability to changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates 1-percentage point lower (5.0%HMO/5.5%PPO decreasing to 4.0%HMO/4.5%PPO) or 1-percentage point higher (6.0%HMO/6.5%PPO decreasing to 5.0%HMO/5.5%PPO) than the current healthcare cost trend rates:

	1% Decrease	Current Discount Rate	1% Increase
HMO	4.00%	5.00%	6.00%
PPO	4.50%	5.50%	6.50%
City Plan	$ 15,154,478	$ 17,012,254	$ 19,252,175

I. OPEB Liabilities, OPEB Expense and Deferred Outflows/Inflows of Resources to OPEB

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) -(b)
Balance at June 30, 2023, Measurement Date	$ 20,350,897	$ 2,168,237	$ 18,182,660
Changes Recognized for the Measurement Period			
Service Cost	518,707	-	518,707
Interest on the total OPEB liability	909,184	-	909,184
Differences between expected and actual experience	192	-	192
Changes of assumptions	(682,341)	-	(682,341)
Employer Contributions	-	1,687,041	(1,687,041)
Net investment income	-	230,663	(230,663)
Benefit payments, including refunds of employee contributions	(1,687,041)	(1,687,041)	-
Administrative expenses	-	(1,556)	1,556
Net changes during July 1, 2023 to June 30, 2024	(941,299)	229,107	(1,170,406)
Balance at June 30, 2024, Measurement Date	$ 19,409,598	$ 2,397,344	$ 17,012,254

NOTE 9: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

For the year ended June 30, 2025, the City recognized OPEB expense of $2,455,692 for the City Plan. At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	$ 1,663,768	$ -
Change of assumptions	294,178	3,212,412
Difference between expected and actual liability	11,174	2,661,401
Difference between expected and actual investment earnings	58,063	-
	$ 2,027,183	$ 5,873,813

The $1,663,768 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Measurement Period Ended June 30		
2025	$	(1,857,981)
2026		(1,457,786)
2027		(862,085)
2028		(698,287)
2029		(389,506)
Thereafter		(244,753)
Total	$	(5,510,398)

NOTE 10: LEASES AND SUBSCRIPTIONS

Leases

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure any lease asset, liability, and deferred inflows if certain changes occur that are expected to significantly affect the amount of the lease liability.

A. Lessee

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2021, the City entered into a 795 month lease as Lessee for the use of Woodbridge Irrigation District-Pumping Plant. An initial lease liability was recorded in the amount of $45,526. As of June 30 2025, the value of the lease liability is $43,414. The City is required to make annual fixed payments of $1,000. The lease has an interest rate of 1.21%. The Land estimated useful life was 795 months as of the contract commencement. The value of the right to use asset as of June 30 2025 of $45,525 with accumulated amortization of $2,748 is included with Land on the Lease Class activities table found below. The City has 1 extension option(s), each for 480 months.

Principal and interest requirements to maturity:

	Business- Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 474	$ 526	$ 1,000
2027	480	520	1,000
2028	485	515	1,000
2029	491	509	1,000
2030	497	503	1,000
2031-2035	2,578	2,422	5,000
2036-2040	2,738	2,262	5,000
2041-2045	2,908	2,092	5,000
2046-2050	3,089	1,911	5,000
2051-2055	3,280	1,720	5,000
2056-2060	3,484	1,516	5,000
2061-2065	3,700	1,300	5,000
2066-2070	3,930	1,070	5,000
2071-2075	4,174	826	5,000
2076-2080	4,433	567	5,000
2081-2085	4,709	292	5,001
2086-2088	1,964	36	2,000
Total	$ 43,414	$ 18,587	$ 62,001

Amount of lease assets by major classes of underlying asset:

	As of Fiscal Year - End		
Asset Class	Lease Asset Value	Accumulated Amortization	Net
Land	$ 45,525	$ 2,748	$ 42,777

B. Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

On July 1, 2021, the City entered into a 117 month lease as Lessor for the use of Adopt-A-Child. An initial lease receivable was recorded in the amount of $127,928. As of June 30, the value of the lease receivable is $77,575. The lessee is required to make monthly fixed payments of $1,140. The lease has an interest rate of 1.04%. The value of the deferred inflow of resources as of June 30 was $75,831 and the City recognized lease revenue of $13,024 during the fiscal year.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2021, the City entered into a 37 month lease as Lessor for the use of Ascend Fitness. An initial lease receivable was recorded in the amount of $63,665. As of June 30, the value of the lease receivable is $0. The lessee is required to make monthly fixed payments of $1,825. The lease has an interest rate of 0.20%. The value of the deferred inflow of resources as of June 30 was $0, and the City recognized lease revenue of $3,245 during the fiscal year.

On July 1, 2021, the City entered into a 67 month lease as Lessor for the use of the World of Wonders Science Museum. An initial lease receivable was recorded in the amount of $68,631. As of June 30, the value of the lease receivable is $19,463. The lessee is required to make monthly variable principal and interest payments of $1,000 based on a CPI index of 3%. The lease has an interest rate of 0.20%. The value of the deferred inflow of resources as of June 30 was $19,463, and the City recognized lease revenue of $12,292 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On July 1, 2021, the City entered into a 345 month lease as Lessor for the use of McCaw Communications - AT&T. An initial lease receivable was recorded in the amount of $416,090. As of June 30, the value of the lease receivable is $361,185. The lessee is required to make monthly variable principal and interest payments of $1,249 based on a CPI index of 2.16%. The lease has an interest rate of 0.4170%. The value of the deferred inflow of resources as of June 30 was $358,277, and the City recognized lease revenue of $14,453 during the fiscal year.

On July 1, 2021, the City entered into a 264 month lease as Lessor for the use of NCPA. An initial lease receivable was recorded in the amount of $401,235. As of June 30, the value of the lease receivable is $335,729. The lessee is required to make monthly fixed payments of $20,310. The lease has an interest rate of 1.4330%. The value of the deferred inflow of resources as of June 30 was $328,393 and the City recognized lease revenue of $18,210 during the fiscal year.

On July 1, 2021, the City entered into a 1098 month lease as Lessor for the use of NCPA Ground Lease. An initial lease receivable was recorded in the amount of $62,042,868. As of June 30, the value of the lease receivable is $60,701,373. The lessee is required to make annual fixed payments of $20,310. The lessee is required to make annual variable principal and interest payments of $101,534 based on a CPI index of 2.50%. The lease has an interest rate of 1.56%. The value of the deferred inflow of resources as of June 30 was $59,332,915 and the City recognized lease revenue of $677,488 during the fiscal year. The lessee has 1 extension option(s), each for 600 months.

On May 1, 2021, the City entered into a 60 month lease as Lessor for the use of The Village. An initial lease receivable was recorded in the amount of $153,458. As of June 30, the value of the lease receivable is $58,037. The lessee is required to make monthly fixed payments of $2,688. The lease has an interest rate of 1.98%. The value of the deferred inflow of resources as of June 30 was $56,268, and the City recognized lease revenue of $30,692 during the fiscal year.

On January 1, 2023, the City entered into a 90 month lease as Lessor for the use of Enchanted Rock Electric. An initial lease receivable was recorded in the amount of $19,279,708. As of June 30, the value of the lease receivable is $11,927,202. The lessee is required to make annual fixed payments of $2,800,000. The lease has an interest rate of 3.41%. The value of the deferred inflow of resources as of June 30, was $12,853,139 and the City recognized lease revenue of $2,570,628 during the fiscal year. The lessee has the option to purchase the Land for $11,200,000. The lessee has 1 extension option, for 30 months.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

Principal and interest expected to maturity:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 2,763,289	$ 1,355,187	$ 4,118,476
2027	2,850,448	1,268,029	4,118,477
2028	3,080,475	1,178,002	4,258,477
2029	3,325,240	1,080,236	4,405,476
2030	1,814,245	974,232	2,788,477
2031-2035	1,995,652	4,539,730	6,535,382
2036-2040	2,139,775	4,384,207	6,523,982
2041-2045	2,287,362	4,216,310	6,503,672
2046-2050	2,380,442	4,039,438	6,419,880
2051-2055	2,493,599	3,852,268	6,345,867
2056-2060	2,695,076	3,650,791	6,345,867
2061-2065	2,912,833	3,433,034	6,345,867
2066-2070	3,148,184	3,197,683	6,345,867
2071-2075	3,402,551	2,943,316	6,345,867
2076-2080	3,677,471	2,668,396	6,345,867
2081-2085	3,974,603	2,371,264	6,345,867
2086-2090	4,295,743	2,050,124	6,345,867
2091-2095	4,642,831	1,703,036	6,345,867
2096-2100	5,017,962	1,327,905	6,345,867
2101-2105	5,423,404	922,463	6,345,867
2106-2110	5,861,604	484,263	6,345,867
2111-2113	3,220,200	66,960	3,287,160
Total	$ 73,402,989	$ 51,706,874	$ 125,109,863

	Business-type Actvities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 43,719	$ 891	$ 44,610
2027	33,856	247	34,103
	$ 77,575	$ 1,138	$ 78,713

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

C. Lease Activity

Governmental Activities:

The following is a summary of lease transactions of the City for the year ended June 30, 2025:

Lease Receivable	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025	Amounts Due Within One Year
Buildings:					
Adopt-A-Child	$ 90,216	$ -	$ (12,821)	$ 77,395	$ 12,937
Ascend Fitness	3,649	-	(3,649)	-	-
Land:					
Enchanted Rock	14,241,667	-	(2,314,360)	11,927,307	2,393,279
McCaw Communications - AT&T	374,962	-	(13,777)	361,185	13,833
NCPA	351,010	-	(15,281)	335,729	15,499
NCPA Ground Lease	61,024,040	-	(322,667)	60,701,373	327,741
Business-type activities:					
Buildings:					
World of Wonders Science Museum	31,846	-	(12,308)	19,538	12,333
The Village	88,792	-	(30,755)	58,037	31,386
Total lease receivable	$ 76,206,182	$ -	$ (2,725,618)	$ 73,480,564	$ 2,807,008

Deferred inflow of resources	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Buildings:				
World of Wonders Science Museum	$ 31,755	$ -	$ (12,292)	$ 19,463
The Village	86,959	-	(30,691)	56,268
Governmental activities:				
Buildings:				
Adopt-A-Child	88,856	-	(13,025)	75,831
Ascend Fitness	3,245	-	(3,245)	-
Land:				
Enchanted Rock	15,423,768	-	(2,570,630)	12,853,138
McCaw Communications - AT&T	372,729	-	(14,452)	358,277
NCPA	346,605	-	(18,211)	328,394
NCPA Ground Lease	60,010,402	-	(677,487)	59,332,915
Total deferred inflow of resources	$ 76,364,319	$ -	$ (3,340,033)	$ 73,024,286

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

D. Subscriptions

E. Subscription Payable

On July 1, 2022, the City entered into a 79 month subscription for the use of Active 911. An initial subscription liability was recorded in the amount of $3,828. As of June 30, the value of the subscription liability is $2,248. The City is required to make annual fixed payments of $600. The subscription has an interest rate of 2.6630%. The value of the right to use asset as of June 30 of $3,828 with accumulated amortization of $1,733 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2023, the City entered into a 48 month subscription for the use of CellHawk. An initial subscription liability was recorded in the amount of $24,015. As of June 30, the value of the subscription liability is $12,368. The City is required to make annual fixed payments of $5,995. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 30 of $24,015 with accumulated amortization of $12,007 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 12 months.

On June 13, 2024, the City entered into a 60 month subscription for the use of CivicPlus Website Hosting and Form Builder. An initial subscription liability was recorded in the amount of $414,345. As of June 30, the value of the subscription liability is $299,368. The City is required to make annual fixed payments of $62,900. The subscription has an interest rate of 2.6160%. The value of the right to use asset as of June 30 of $414,345 with accumulated amortization of $86,151 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the City entered into a 77 month subscription for the use of CordicoShield Wellness App. An initial subscription liability was recorded in the amount of $111,574. As of June 30, the value of the subscription liability is $57,098. The City is required to make annual fixed payments of $20,000. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of $111,574 with accumulated amortization of $51,828 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On August 15, 2022, the City entered into a 48 month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of $37,585. As of June 30, the value of the subscription liability is $9,510. The City is required to make annual fixed payments of $9,750. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of $37,585 with accumulated amortization of $27,041 is included with Software on the Subscription Class activities table found below.

On February 7, 2023, the City entered into a 60 month subscription for the use of Gravity ACFR. An initial subscription liability was recorded in the amount of $94,205. As of June 30, the value of the subscription liability is $41,060. The City is required to make annual fixed payments of $18,000. The subscription has an interest rate of 2.6560%. The value of the right to use asset as of June 30, of $104,205 with accumulated amortization of $50,018 is included with Software on the Subscription Class activities table found below. The City has 4 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 146 month subscription for the use of Evidence.com. An initial subscription liability was recorded in the amount of $1,066,489. As of June 30, the value of the subscription liability is $816,222. The City is required to make annual fixed payments of $105,065. The subscription has an interest rate of 3.0480%. The value of the right to use asset as of June 30 of $1,066,489 with accumulated amortization of $262,013 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 120 months.

On August 1, 2022, the City entered into a 72 month subscription for the use of Imprivata VPN Enterprise. An initial subscription liability was recorded in the amount of $158,165. As of June 30, the value of the subscription liability is $80,017. The City is required to make annual fixed payments of $28,028. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of $158,165 with accumulated amortization of $76,886 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2022, the City entered into a 72 month subscription for the use of PSTrax Vehicle Operations Checks System. An initial subscription liability was recorded in the amount of $17,849. As of June 30, the value of the subscription liability is $9,717. The City is required to make annual fixed payments of $2,800. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of $17,849 with accumulated amortization of $8,925 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the City entered into a 71 month subscription for the use of RIPALog. An initial subscription liability was recorded in the amount of $39,694. As of June 30, the value of the subscription liability is $20,555. The City is required to make annual fixed payments of $7,200. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30 of $39,694 with accumulated amortization of $19,986 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 75 month subscription for the use of SaaS Munis Software. An initial subscription liability was recorded in the amount of $1,311,217. As of June 30, the value of the subscription liability is $667,530. The City is required to make annual fixed payments of $233,819. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of $1,311,215 with accumulated amortization of $629,384 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On February 1, 2024, the City entered into a 36 month subscription for the use of Sizeup Local Business Intelligence. An initial subscription liability was recorded in the amount of $27,636. As of June 30, the value of the subscription liability is $9,220. The City is required to make annual fixed payments of $9,488. The subscription has an interest rate of 2.9010%. The value of the right to use asset as of June 30 of $30,636 with accumulated amortization of $14,467 is included with Software on the Subscription Class activities table found below.

On March 22, 2023, the City entered into a 60 month subscription for the use of Smart Energy Water Customer Web Portal. An initial subscription liability was recorded in the amount of $298,020. As of June 30, the value of the subscription liability is $120,722. The City is required to make annual fixed payments of $62,800. The subscription has an interest rate of 2.6820%. The value of the right to use asset as of June 30 of $298,020 with accumulated amortization of $135,599 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the City entered into a 76 month subscription for the use of Streamline Automation. An initial subscription liability was recorded in the amount of $18,613. As of June 30, the value of the subscription liability is $9,516. The City is required to make annual fixed payments of $3,333. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of $18,613 with accumulated amortization of $8,817 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 85 month subscription for the use of TRAKiT Community Development Modules. An initial subscription liability was recorded in the amount of $308,473. As of June 30, the value of the subscription liability is $178,829. The City is required to make annual fixed payments of $47,723. The subscription has an interest rate of 2.6630%. The value of the right to use asset as of June 30, of $308,473 with accumulated amortization of $130,647 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 84 month subscription for the use of Tablet Command Enterprise. An initial subscription liability was recorded in the amount of $48,328. As of June 30, the value of the subscription liability is $27,955. The City is required to make annual fixed payments of $7,460. The subscription has an interest rate of 2.6630%. The value of the right to use asset as of June 30, of $48,328 with accumulated amortization of $20,712 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

On July 1, 2022, the City entered into a 146 month subscription for the use of Taser 7 Basic. An initial subscription liability was recorded in the amount of $437,768. As of June 30, the value of the subscription liability is $335,040. The City is required to make annual fixed payments of $43,127. The subscription has an interest rate of 3.0480%. The value of the right to use asset as of June 30, of $437,768 with accumulated amortization of $107,550 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 120 months.

On July 1, 2022, the City entered into a 72 month subscription for the use of Vector LMS TargetSolutions Edition Premier. An initial subscription liability was recorded in the amount of $27,087. As of June 30, the value of the subscription liability is $13,704. The City is required to make annual fixed payments of $4,800. The subscription has an interest rate of 2.5200%. The value of the right to use asset as of June 30, of $27,087 with accumulated amortization of $13,544 is included with Software on the Subscription Class activities table found below. The City has 5 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 52 month subscription for the use of ZoomProspector Enterprise. An initial subscription liability was recorded in the amount of $32,408. As of June 30, the value of the subscription liability is $8,309. The City is required to make annual fixed payments of $8,498. The subscription has an interest rate of 2.2750%. The value of the right to use asset as of June 30 of $32,408 with accumulated amortization of $22,138 is included with Software on the Subscription Class activities table found below. The City has 3 extension option(s), each for 12 months.

On July 1, 2022, the City entered into a 160 month subscription for the use of Zuercher Public Safety Software. An initial subscription liability was recorded in the amount of $855,184. As of June 30, the value of the subscription liability is $675,442. The City is required to make annual fixed payments of $79,526. The subscription has an interest rate of 3.0850%. The value of the right to use asset as of June 30 of $855,184 with accumulated amortization of $191,380 is included with Software on the Subscription Class activities table found below. The City has 10 extension option(s), each for 12 months.

On October 7, 2023, the City entered into a 120 month subscription for the use of ALLDATA Repair and Diagnostic. An initial subscription liability was recorded in the amount of $13,124. As of June 30, the value of the subscription liability is $10,485. The City is required to make annual fixed payments of $1,500. The subscription has an interest rate of 3.1020%. The value of the right to use asset as of June 30 of $13,124 with accumulated amortization of $2,275 is included with Software on the Subscription Class activities table found below. The City has 9 extension option(s), each for 12 months.

On December 20, 2022, the City entered into a 72 month subscription for the use of GIS Mapping Services. An initial subscription liability was recorded in the amount of $305,181. As of June 30, the value of the subscription liability is $154,864. The City is required to make annual fixed payments of $55,000. The subscription has an interest rate of 3.2380%. The value of the right to use asset as of June 30 of $305,181 with accumulated amortization of $128,713 is included with Software on the Subscription Class activities table found below. The City has 1 extension option(s), each for 36 months.

On July 1, 2024, the City entered into a 36 month subscription for the use of PowerClerk. An initial subscription liability was recorded in the amount of $129,665. As of June 30, the value of the subscription liability is $87,365. The City is required to make annual fixed payments of $42,300. The subscription has an interest rate of 3.1100%. The value of the right to use asset as of June 30 of $129,665 with accumulated amortization of $43,222 is included with Software on the Subscription Class activities table found below.

On February 1, 2025, the City entered into a 60 month subscription for the use of Water Meter Test Bench. An initial subscription liability was recorded in the amount of $280,149. As of June 30, the value of the subscription liability is $226,006. The City is required to make annual fixed payments of $54,143. The subscription has an interest rate of 2.9250%. The value of the right to use asset as of June 30 of $280,149 with accumulated amortization of $23,346 is included with Software on the Subscription Class activities table found below.

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

Principal and interest expected to maturity:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 636,570	$ 93,879	$ 730,449
2027	631,181	76,676	707,857
2028	602,423	59,584	662,007
2029	317,987	43,266	361,253
2030	195,134	34,084	229,218
2031-2035	917,770	77,127	994,897
Total	$ 3,301,065	$ 384,616	$ 3,685,681

Principal and interest expected to maturity:

	Business-Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	$ 186,863	$ 17,123	$ 203,986
2027	197,608	11,534	209,142
2028	118,046	5,622	123,668
2029	69,566	2,019	71,585
Total	$ 572,083	$ 36,298	$ 608,381

Amount of subscription assets by major classes of underlying asset:

	As of Fiscal Year-end		
Asset Class	Subscription Asset Value	Accumulated Amortization	Net
Software	$ 6,073,602	$ 2,068,381	$ 4,005,221

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

F. Subscription Activity

Governmental Activities:

The following is a summary of subscription transactions of the City for the year ended June 30, 2025:

Subscription assets, net amortization	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Governmental activities:				
Software:				
Active 911	$ 2,673	$ -	$ (578)	$ 2,095
CellHawk	18,011	-	(6,004)	12,007
CivicPlus Website Hosting and Form Builder	410,243	-	(82,049)	328,194
CordicoShield Wellness App	77,022	-	(17,276)	59,746
DebtBook	19,941	-	(9,396)	10,545
Evidence.com	891,814	-	(87,338)	804,476
Gravity ACFR	75,028	-	(20,841)	54,187
Imprivata VPN Enterprise	107,640	-	(26,361)	81,279
PSTrax Vehicle Operations Checks System	11,899	-	(2,975)	8,924
RIPALog	26,370	-	(6,662)	19,708
SaaS Munis Software	891,628	-	(209,797)	681,831
Sizeup Local Business Intelligence	26,381	-	(10,212)	16,169
Smart Energy Water Customer Web Portal	76,155	-	(20,444)	55,711
Streamline Automation	12,735	-	(2,939)	9,796
TRAKiT Community Development Modules	191,003	-	(37,574)	153,429
Tablet Command Enterprise	34,520	-	(6,904)	27,616
Taser 7 Basic	366,068	-	(35,850)	330,218
Team Gantt	2,352	-	(2,352)	-
Telestaff Enterprise	8,640	-	(8,640)	-
Vector LMS TargetSolutions Edition Premier	18,058	-	(4,515)	13,543
Zoho Expense	1,588	-	(1,588)	-
Zoom Prospector Enterprise	17,649	-	(7,379)	10,270
Zuercher Public Safety Software	727,598	-	(63,793)	663,805
AllData Repair and Diagnotic	12,162	-	(1,312)	10,850
Total subscription assets	$ 4,027,178	$ -	$ (672,779)	$ 3,354,399
Business-type activities:				
Software:				
GIS Mapping Services	$ 227,332	$ -	$ (50,864)	$ 176,468
MARS M3 Enterprise Series 5-1000	82,343	-	(82,343)	-
PowerClerk	-	129,665	(43,222)	86,443
Smart Energy Water Customer Web Portal	145,870	-	(39,160)	106,710
TRAKiT Community Development Modules	30,373	-	(5,975)	24,398
Water Meter Test Bench	-	280,149	(23,346)	256,803
Total subscription assets	$ 485,918	$ 409,814	$ (244,910)	$ 650,822

NOTE 10: LEASES AND SUBSCRIPTIONS (CONTINUED)

Subscription liability	Balance as of July 1, 2024	Additions	Reductions	Balance as of June 30, 2025
Governmental activities:				
Software:				
Active 911	$ 2,774	$ -	$ (526)	$ 2,248
CellHawk	18,020	-	(5,652)	12,368
CivicPlus Website Hosting and Form Builder	356,033	-	(56,665)	299,368
CordicoShield Wellness App	75,203	-	(18,105)	57,098
DebtBook	18,787	-	(9,277)	9,510
Evidence.com	894,037	-	(77,815)	816,222
Gravity ACFR	59,329	-	(18,269)	41,060
Imprivata VPN Enterprise	105,389	-	(25,372)	80,017
PSTrax Vehicle Operations Checks System	12,489	-	(2,772)	9,717
RIPALog	27,073	-	(6,518)	20,555
SaaS Munis Software	879,198	-	(211,668)	667,530
Sizeup Local Business Intelligence	18,181	-	(8,961)	9,220
Smart Energy Water Customer Web Portal	61,304	-	(19,896)	41,408
Streamline Automation	12,533	-	(3,017)	9,516
TRAKiT Community Development Modules	190,398	-	(36,105)	154,293
Tablet Command Enterprise	34,496	-	(6,541)	27,955
Taser 7 Basic	366,981	-	(31,941)	335,040
Vector LMS TargetSolutions Edition Premier	18,049	-	(4,345)	13,704
Zoom Prospector Enterprise	16,433	-	(8,124)	8,309
Zuercher Public Safety Software	732,374	-	(56,932)	675,442
AllData Repair and Diagnotic	11,624	-	(1,139)	10,485
Total subscription liability	$ 3,910,705	$ -	$ (609,640)	$ 3,301,065
Business-type activities:				
Software:				
GIS Mapping Services	$ 203,282	$ -	$ (48,418)	$ 154,864
PowerClerk	-	129,663	(42,300)	87,363
Smart Energy Water Customer Web Portal	117,425	-	(38,111)	79,314
TRAKiT Community Development Modules	30,277	-	(5,741)	24,536
Water Meter Test Bench	-	280,149	(54,143)	226,006
Total subscription liability	$ 350,984	$ 409,812	$ (188,713)	$ 572,083

NOTE 11: CLAIMS AND BENEFITS

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is self-insured as discussed in the following paragraphs for which liabilities are recorded in the Internal Service Fund-Insurance Fund.

The City is self-insured for general liability up to the first $500,000 per occurrence with claims from $500,000 to $40,000,000 per occurrence and in the aggregate insured through the California Joint Powers Risk Management Authority. The City has not had any settlements that exceeded its general liability insurance coverage (See Note 13).

The City is self-insured for property liability up to the first $750,000 per occurrence with claims from $750,000 to $40,000,000 per occurrence and in the aggregate insured through the California Joint Powers Risk Management Authority. The City has not had any settlements that exceeded its general liability insurance coverage (See Note 13).

NOTE 11: CLAIMS AND BENEFITS (CONTINUED)

The City is self-insured for workers' compensation up to the first $250,000 per claim. Any claims of $250,000 up to California statutory limits are covered under a purchased policy through the membership with the Local Agency Workers' Compensation Excess Joint Powers Authority with coverage up to $300,000,000 in the current year. The City has not had any settlements that exceeded its workers' compensation insurance coverage (See Note 13). The City is fully self-insured for dental and unemployment for its employees.

General liability, property, and workers' compensation claims are administered by an outside agency and all other claims are administered by the City. The City has accrued a liability of $8,017,916 at June 30, 2025, for all self-insured claims in the Internal Service Fund-Insurance Funds that includes an amount for incurred but not reported claims. The liability amount is based on the requirements of GASB Statement No. 62, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. In the opinion of the City, the amounts accrued are adequate to cover claims incurred but not reported in addition to known claims.

Changes in the self-insurance liability for the years ended June 30, 2025, 2024, and 2022 are as follows:

	FY 24-25	FY 23-24	FY 22-23
Beginning Balance	$ 8,000,125	$ 11,872,178	$ 10,870,196
Current Year Claims & Changes In Estimates	962,174	(2,875,057)	2,849,938
Claim Payments	(944,383)	(996,996)	(1,847,956)
Ending Balance	$ 8,017,916	$ 8,000,125	$ 11,872,178

NOTE 12: PARTICIPATION IN JOINT VENTURES

A. Northern California Power Agency

The City, along with fifteen other public agencies, is a member of the Northern California Power Agency (NCPA) that was formed in 1968 as a joint powers agency. Its membership consists of twelve cities with publicly owned electric utility distribution systems, one port authority, a transit authority, one public utility district and one associate member. NCPA is generally empowered to purchase, generate, transmit, distribute and sell electrical energy. Members participate in the projects of NCPA on an elective basis. A commission consisting of one representative from each member organization governs NCPA. The commission is responsible for the general management of the affairs, property, and business of NCPA. Under the direction of the General Manager, the staff of NCPA is responsible for providing various administrative, operating and planning services for NCPA, its associated power corporations and its members.

NCPA's project construction and development programs have been individually financed by project revenue bonds collateralized by NCPA's assignment of all payments, revenues and proceeds associated with its interest in each project.

Project Financing and Construction

Each Project Participant has agreed to pay its proportionate share of debt service and other costs of the related project, notwithstanding the suspension, interruption, interference, reduction or curtailment of output from the project for any reason. Certain of the revenue bonds are additionally supported by municipal bond insurance credit enhancements.

Increase in Non-defaulting Project Participant's Original Project Entitlement Percentage

Upon the failure of any Project Participant to make any payment, which failure constitutes a default under the Member Agreement for the projects, and except as sales and transfers are made pursuant thereto, the Member Agreements provide that Project Entitlement for each non-defaulting Project Participant shall be automatically increased for the remaining term of the Member Agreement; pro rata with those of the non-defaulting Project Participant thereunder; provided, however, that the sum of such increase for any non-defaulting Project Participant shall not exceed, without written consent of such non-defaulting Project Participant, an accumulated maximum of 25% of the non-defaulting Project Participant's original Project Entitlement Percentage Share.

NOTE 12: PARTICIPATION IN JOINT VENTURES (CONTINUED)

General Operating Reserve with NCPA

Members of NCPA established a general operating reserve in 1992 for the purposes of providing a vehicle to fund reasonably foreseeable contingent liabilities. It was set up primarily to provide the following advantages: minimizes the number and dollar amount of reserve that might otherwise be funded separately in connection with NCPA's individually financed operating plants, projects and programs; and provides each member with flexibility and unilateral control over the determination of what they will fund, how they will fund it and what expenditures from the reserve will be made on their individual behalf. It provides funding for contingent liabilities that are not budgeted but that may require significant future expenditures. The reserve is segregated by participant and is refundable on demand by the participant.

As of June 30, 2025, the City's advance receivable in the NCPA General Operating Reserve, which has been credited with annual interest earnings and settlements, is $8,651,115.

Project Participation

The NCPA members and their percentage share at June 30, 2025, which is the most recent available data, are as follows:

NCPA MEMBERS	Geothermal Project	Hydro Electric Project	Combustion Turbine Project #1	Multiple Capital Facilities	Transmission Project	Lodi Energy Center
Alameda	16.88%	10.00%	21.82%	19.00%	30.36%	0.00%
Bay Area Rapid Transit	-	-	-	-	-	6.6
Biggs	0.23	-	0.20	-	0.41	0.27
Gridley	0.34	-	0.35	-	0.60	1.96
Healdsburg	3.67	1.66	5.83	-	6.61	1.64
Lodi	10.28	10.37	13.39	39.50	18.49	9.50
Lompoc	3.68	2.30	5.83	5.00	6.62	2.04
Palo Alto	-	22.92	-	-	-	-
Plumas-Sierra Rural Electric Coop	0.70	1.69	1.82	-	1.26	0.79
Roseville	7.88	12.00	-	36.50	14.18	-
Santa Clara	44.39	37.02	41.67	-	-	25.75
Ukiah	5.61	2.04	9.09	-	10.1	1.79
OTHER PARTICIPANTS						
Azusa	-	-	-	-	-	2.79
California Department of Water Resources	-	-	-	-	-	33.5
Modesto Irrigation District	-	-	-	-	-	10.71
Power & Water Resources Pooling Agency	-	-	-	-	-	2.67
Turlock Irrigation District	6.33	-	-	-	11.38	-

Bulk power purchased by the City through NCPA amounted to $51,180,468 during the year ended June 30, 2025 and is reflected in utilities expense in the Electric Enterprise Fund.

NCPA Geothermal Project

In addition to federal geothermal leasehold, steam wells, gathering system and related facilities, the project consists of two electric generating stations (Plant 1 and Plant 2). With combined 165 MW turbine generator units utilizing low temperature geothermal steam; associated electrical, mechanical and control facilities; a heat dissipation system; a steam gathering system; a transmission tap line; and, other related facilities. Geothermal steam for the project is derived from the geothermal property, which includes well pads, access roads, steam wells and re-injection wells.

Under a power purchase agreement with NCPA, the City is obligated to pay 10.28% of the operating and debt service costs. As of June 30, 2025, there is no outstanding long-term debt related to this project.

NOTE 12: PARTICIPATION IN JOINT VENTURES (CONTINUED)

Calaveras Hydroelectric Project

NCPA contracted to finance, manage, construct and operate Hydroelectric Project Number One for the licensed owner, Calaveras County Water District. In exchange, NCPA has the right to the electric output of the project for 50 years from February 1982. NCPA has also the option to purchase power from the project in excess of the District's requirements for the subsequent 50 years, subject to regulatory approval.

Under a power purchase agreement, the City is obligated to pay 10.37% of the operating costs and approximately 10.56% of the debt service. At June 30, 2025, approximately $143.86 million in long-term debt used to finance this project was outstanding.

NCPA Combustion Turbine Project #1

The original project consisted of five combustion turbine units; each nominally rated at 25 MW. Concurrent with the final project bond maturity, two units located in Roseville were acquired by an NCPA member. The remaining project consists of two units in Alameda and one in Lodi. The project provides capacity during peak load periods and emergency capacity reserves. Excess capacity and energy from the project are also sold to other entities from time to time.

Under the NCPA power agreement, the City is obligated to pay 13.39% of the debt service and operating costs. At June 30, 2025, there was no outstanding long-term debt related to this project.

Capital Facilities Project

The Project consists of one 49.9 MW natural gas-fired steam injected combustion turbine generator unit located in The Citylifornia. Wastewater is reclaimed from the City of Lodi's White Slough water pollution control facility, processed to eliminate contaminants, and used in the turbine to produce steam for power enhancement and emissions control.

Under a power purchase agreement with NCPA, the City is obligated to pay 39.5% of the operating and debt service costs. At June 30, 2025, there was no outstanding long-term debt related to this project.

Transmission Project

The project was undertaken to meet certain obligations of NCPA under the NCPA/PG&E Interconnection Agreement. The project includes co-tenancy interest in PG&E's 230 kV Castle Rock to Lakeville Substation Transmission Line in Sonoma County, additional firm transmission rights in that transmission line and a central dispatch facility. The City is obligated to pay 18.49% of the operating and debt service costs. At June 30, 2025 there was no outstanding long-term debt related to this project.

Lodi Energy Center

The Lodi Energy Center project is a 304 MW natural gas-fired, combined-cycle power generation plant located in Lodi on City property. Pursuant to a power sales agreement, NCPA owns and operates the project, selling the capacity and energy to various project participants, including both members and non-members of NCPA. This project is located next to the Capital Facilities Projects listed above.

The City is obligated to pay 17.03% of the debt service and 9.5% of operating costs. At June 30, 2025, approximately $252.75 million in long-term debt was outstanding.

Audited Statements

The following are the most recent available audited condensed financial statements of NCPA:

At June 30, 2025, NCPA's total net outstanding long-term debt was $396,609,000 at an average interest rate of 5%. The current portion of long-term debt at June 30, 2025, was $27,200,000.

NOTE 12: PARTICIPATION IN JOINT VENTURES (CONTINUED)

Complete financial information for NCPA may be obtained at the following administration office:

Northern California Power Agency 651 Commerce Drive Roseville, CA 95678-6411

Condensed Statement of Net Position
June 30, 2025
(in thousands)

Assets and Deferred Outflows of Resources		
Current assets	$	216,362
Restricted assets		177,288
Electric plant, net		419,781
Other assets		133,624
Total assets		947,055
Deferred outflows of resources		92,619
Total assets and deferred outflows of resources	$	1,039,674
Liabilities, Deferred Inflows of Resources and Net Position		
Long-term debt, net	$	369,409
Current liabilities		125,613
Non-current liabilities		415,500
Deferred inflows of resources		96,411
Net position		
Net investment in capital assets		(39,740)
Restricted		15,275
Unrestricted		57,206
Total liabilities, deferred inflows of resources and net position	$	1,039,674

Condensed Statement of Revenues, Expenses and Changes in Net Position
Year ended June 30, 2025
(in thousands)

Sales for resale	$	703,680
Operating expenses		(689,243)
Other expenses		5,146
Future recoverable costs		(4,725)
Net revenues before refunds		14,858
Refunds to participants		(19,229)
Increase in net position		(4,371)
Net position, beginning of year		37,112
Net position, end of year	$	32,741

Combined Statement of Cash Flows
Year ended June 30, 2024
(in thousands)

Net cash from operating activities	$	94,205
Net from investing activities		(37,975)
Net cash from capital and related financing activities		(81,893)
Net cash from noncapital and related financing activities		(9,753)
Increase in cash and cash equivalents		(35,416)
Cash and cash equivalents, beginning of year		150,586
Cash and cash equivalents, end of year	$	115,170

B. Transmission Agency of Northern California

The City of Lodi is a member of the Transmission Agency of Northern California (TANC), a California Joint Powers Agency formed in the early 1980's to build the California Oregon Transmission Project (COTP) – a transmission line connecting the Pacific Northwest with Central California.

On April 2, 2014, the Lodi City Council approved a 25-year layoff of the City's share of the COTP transfer capability, effective July 1, 2014, whereby the City and all of the TANC members who are in the CAISO Balancing Authority lay off their interests to certain other COTP participants. In exchange, these entities pay the City's allocated share of COTP costs. This layoff arrangement does not change Lodi's membership status in TANC and does not relieve the City of its obligations under the TANC Agreement in the event of any default in payment by an acquiring party.

TANC and certain TANC members have arranged for Pacific Gas & Electric (PG&E) to provide TANC and its members with 300 MW of firm bi-directional transmission capacity on its transmission system between its Midway Substation near Buttonwillow, CA and its Tesla Substation near Tracy, CA, near the southern terminus of the COTP under an agreement known as the South of Tesla (SOT) Principles. The City has utilized its full allocation of Tesla-Midway Transmission Service for power transactions in the past. The City is responsible for 2.07% of TANC's SOT debt service which as of June 30, 2025 had an outstanding balance of approximately $2,363,796.

Complete financial information for TANC may be obtained at the following administration office:

Transmission Agency of Northern California 35 Iron Point Circle, Suite 225 Folsom, CA 95630

NOTE 13: MEMBERSHIP IN INSURANCE POOLS

A. California Joint Powers Risk Management Authority

The City is a member, along with sixteen other individual cities and four joint powers authorities, of California Joint Powers Risk Management Authority (CJPRMA) organized under a Joint Powers Agreement pursuant to the California Government Code for the purpose of sharing the risk of catastrophic general liability, automobile liability and public officials' errors and omissions losses. CJPRMA has a twenty-one member Board of Directors, including a director from the City of Lodi. The Board members elect officers of CJPRMA every two years.

NOTE 13: MEMBERSHIP IN INSURANCE POOLS (CONTINUED)

The ultimate cost of the program to the City depends on the catastrophic losses of all members, as well as the City's own loss experience and will be determined through an actuarial analysis of loss history during the ten-year period preceding the three years prior to the end of the current program year. The City periodically pays premiums to the CJPRMA. These premiums are recorded as expenses in the year paid, as they are a reasonable estimate of the actual cost of the program. During the year ended June 30, 2025, premiums of $1,966,666 were paid to CJPRMA for the liability program.

The participants at June 30, 2025, are as follows: Alameda, Chico, Fairfield, Fremont, Livermore, Lodi, Livermore Pleasanton Fire Department, Northern California Cities Self Insurance Fund, Petaluma, Redding, Richmond, Roseville, San Leandro, San Rafael, Santa Rosa, Small Cities Organized Risk Effort, Stockton, Sunnyvale, Vacaville, and Yolo County Public Agencies Risk Management Insurance Authority.

Complete financial information for CJPRMA may be obtained at the following administration office:

California Joint Powers Risk Management Authority 3252 Constitution Dr. Livermore, CA 94551

B. Local Agency Workers' Compensation Excess Joint Powers Authority

The City, along with thirty-three other public agencies, is a member of the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX), which was formed July 1992, for the purpose of sharing the risk of workers' compensation losses. LAWCX offers $150,000, $250,000, $350,000, $500,000 and $1 million self-insured retentions (SIR) or a member can attach directly to the purchased excess insurance. LAWCX covers the layer above the member SIR up to $5 million. The City's self-insured retention is $250,000. LAWCX participates in the California State Association of Counties Excess Insurance Authority (CSAC-EIA) to obtain coverage up to statutory limits. The City paid $854,624 in premiums to LAWCX during the year ended June 30, 2025.

The participants at June 30, 2025, are as follows: City of Alameda, Association of Bay Area Governments Shared Risk Pool (ABAG SHARP), Bay Cities Joint Powers Insurance Authority (BCJPIA), City of Benicia, Central Contra Costa County Transit Agency (CCCTA), California Housing Workers' Compensation Authority (CHWCA), Central San Joaquin Valley Risk Management Authority (CSJVRMA), City of Clovis, City of Coronado, City of Encinitas, Fire Agencies Self Insurance System (FASIS), City of Gilroy, City of Livermore, City of Lodi, Town of Los Gatos, City of Merced, City of Morgan Hill, City of Newark, City of Placentia, City of Pleasanton, City of Roseville, Public Entity Risk Management Authority (PERMA), City of San Leandro, City of Santa Maria, City of Santee, Small Cities Organized Risk Effort (SCORE), City of South Lake Tahoe, City of Suisun City, City of Vacaville, Vector Control Joint Powers Agency (VCJPA) and City of Vista.

Complete financial information for LAWCX may be obtained at the following administration office:

Local Agency Workers' Compensation Excess Joint Powers Authority 1750 Creekside Oaks Drive, Suite 200 Sacramento, California 95833.

C. California Transit Insurance Pool

The City, along with thirty-three other public agencies is a member of the California Transit Insurance Pool (Cal TIP), a joint powers insurance authority which was formed for the purpose of sharing the risk of property damage, bodily injury, personal injury and public officials errors and omissions losses for public transit systems.

Liability protection coverage is provided under two programs:

Program I applies to members who choose to utilize Cal Tip's claims administrator services.

Program II applies to members with self-insured retentions who choose to provide their own claims administrator services.

Cal TIP purchases excess insurance over its $1,000,000 retention up to $20 million per occurrence. Each member is provided with $4 million in excess of the pooled retention for a total of $5 million in coverage and has the option to choose one or both of two additional layers for the full $20 million.

NOTE 13: MEMBERSHIP IN INSURANCE POOLS (CONTINUED)

Cal TIP also provides physical damage coverage to its members. This coverage program is optional for all members and offers damage or loss protection for transit, staff and maintenance vehicles to transit operators. Cal TIP self-insures up to $100,000, under which members have the option of five levels of deductible ranging from $500 to $10,000 per vehicle. Claims are administered by the Cal Tip's adjuster.

The City paid $147,215 in premiums to Cal TIP during the year ended June 30, 2025. There have been no reductions in insurance coverage from the prior year and there were no insurance settlements in excess of insurance coverage in any of the last three years.

	Program	Self- Insured Retention	Limit (in millions)	Physical Damage
City of Lodi Transit System	I	Prefunded	20	Yes

Complete financial information for Cal Tip may be obtained at the following administration office:

California Transit Insurance Pool 1750 Creekside Oaks Drive, Suite 200 Sacramento, California 95833

NOTE 14: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Deficit in Net Position

Deficits in net position in the amounts of ($959,952) in the ISF Fleet Services Fund and ($630,061) in the HOME Program & CDBG Fund at June 30, 2025, are attributed to the increase in personnel expenses. The deficits in net position in the amounts of ($650) in the Debt Service Fund is related to debt service payments. The City will evaluate the rates charged to departments to eliminate the deficits during the budget process.

B. Expenditures in Excess Of Appropriations

Expenditures In Excess Of Appropriations For the year ended June 30, 2025, expenditures exceeded appropriations in the following programs/functions/fund (legal level of budgetary control) of the respective funds:

The General Fund expenditures for the Financial Services division were higher than anticipated for this department due to additional expenditures relating to salaries and benefits. Expenditures for debt service were $689,687 higher than anticipated due to expenditures relating to the implementation of GASB 87 leases. The General Fund, however, did not have excess expenditures over appropriations at the fund level.

NOTE 15: POLLUTION REMEDIATION OBLIGATION

The City relies on groundwater for its drinking water and in the late 1980's, Perchloroethylene (PCE) and Trichloroethylene (TCE) pollution was discovered in several municipal water supply wells. Investigations conducted by the California Regional Water Quality Control Board (RWQCB) in the early 1990's under the Well Investigation program revealed numerous areas where TCE was discharged, or where PCE from dry cleaning operations was discharged to the sewer system. In 1997, the Department of Toxic Substances Control (DTSC) and the City entered into a cooperative agreement whereby the City assumed a lead role in the cleanup and agreed to pursue legal action against potentially responsible parties (PRPs). The City's estimate of the pollution remediation obligation was $70 million. The City has settled with all the involved parties.

NOTE 15: POLLUTION REMEDIATION OBLIGATION (CONTINUED)

The City received a draft cleanup and abatement order to investigate the discharges of waste, clean up the waste and abate the effects of the discharges of waste in conformance with the State Water Resources Control Board's (SWRCB) Resolution No. 92-49 Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under the Water Code Section 13304 and with the RWQCB's Water Quality Control Plan for the Sacramento River and San Joaquin River. The City then engaged the services of Treadwell and Rollo to advise the City on courses of action in the preparation of feasibility studies, remedial design, and remedial action plan to comply with the technical and reporting requirements of the SWRCB.

The City's estimated total pollution remediation obligation as of June 30, 2025, is $13,623,618. This amount is an estimate and subject to changes resulting from price increases or reductions, technology, or changes in applicable laws or regulations.

NOTE 16: COMMITMENTS AND CONTINGENCIES

A. Litigation and Claims

The City from time to time is a party to various claims, legal actions, and complaints arising in the ordinary course of business. In the opinion of the City's administration, the various claims, legal actions, and complaints resulting from such litigation not covered by the City's self-insurance program (see Note 13) would not materially affect the financial position of the City.

B. Water Purchase Agreement with Woodbridge Irrigation District

The City obtains its municipal water supply from wells located within the City, extracting water from the underground aquifer, which is replenished in part by flows of the Mokelumne River. To avoid being wholly dependent upon wells and the possible impacts of eventual overdraft of the groundwater supply, the City made a commitment in 2003 to purchase surface water supply from Woodbridge Irrigation District for an initial term of 40 years. The agreement provides for the purchase of 6,000 acre feet per year and the City pays the District $1.2 million annually. The initial term of the agreement was for 40 years. In January 2008, the District and the City of Lodi amended the 2003 water sale contract to, among other matters, extend that agreement for four years to October 2047.

C. Arbitrage Earnings Rebate Liability

Arbitrage earnings are defined as income earned on the unexpended tax-exempt certificate proceeds in excess of that which would have been earned had the moneys been invested in securities with a yield of the effective rate of the certificates. Currently, arbitrage earnings must be rebated to the United States Treasury every five years. There is no cumulative arbitrage liability as of June 30, 2025, for any of the City's outstanding Certificates of Participation and Revenue Bonds.

D. Construction and Other Significant Commitments

Commitments are existing arrangements to enter into future transactions or events, such construction contracts for ongoing projects and long-term contractual obligations with suppliers for future purchases at specified prices and sometimes specified quantities. Significant commitments as of June 30, 2025 are as follows:

Governmental Activities:		Business-type Activities	
General Fund	$ 5,392,648	Electric Fund	$ 2,918,170
Other governmental funds	32,799,909	Wastewater Fund	11,947,033
		Water Fund	10,413,489
		Transit Fund	2,600,135
Total governmental activities	$38,192,557	Total governmental activities	$ 27,878,827

NOTE 17: FUND BALANCE CLASSIFICATIONS

At June 30, 2025, the governmental funds report the following fund balance classifications:

	General	Streets	Total Nonmajor Funds	Total Governmental Funds
Nonspendable				
Inventories	$ -	$ -	$ 2,707	$ 2,707
Prepaid costs	6,085	-	-	6,085
Total nonspendable	6,085	-	2,707	8,792
Restricted				
Road-related projects	-	20,126,699	109,392	20,236,091
Home and CDBG program	-	-	391,992	391,992
Public safety	-	-	507,311	507,311
Community development	-	-	9,278,727	9,278,727
Capital projects	-	-	13,999,639	13,999,639
Pension	22,013,789	432,329	1,252,206	23,698,324
Special assessments	-	-	254,526	254,526
Total restricted	22,013,789	20,559,028	25,793,793	68,366,610
Committed				
Video - related capital projects	757,771	-	-	757,771
Parks, recreation, and community services	-	-	3,078,549	3,078,549
Total committed	757,771	-	3,078,549	3,836,320
Assigned				
Capital projects	-	-	14,531,337	14,531,337
Unassigned	29,191,231	-	(630,711)	28,560,520
Total fund balances (deficits)	$ 51,968,876	$ 20,559,028	$ 42,775,675	$ 115,303,579

NOTE 18: RESTATEMENTS

A. Correction of an Error in Previously Issued Financial Statements

While preparing the fiscal year 2025 financial statements, the City identified an error in the Construction in Progress (CIP) balance. Certain costs previously capitalized did not meet the criteria for capitalization and were removed from CIP. This correction resulted in a decrease of $870,450 to beginning net position for Governmental Activities and decrease of $97,359 for Business-Type Activities.

B. Change in Accounting Principle Statements

Effective July 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences, which requires governments to recognize a liability for certain types of compensated absences when the leave is earned. Adoption of the new standard resulted in the recognition of additional compensated absences liabilities and a corresponding decrease to beginning net position totaling $672,733 for Governmental Activities.

NOTE 18: RESTATEMENTS (CONTINUED)

	June 30, 2024 As Previously Reported	Correction of an Error	Changes in Accounting Principle	June 30, 2024 As Restated
Internal service funds				
Fleet	$ (880,506)	$ -	$ (12,606)	$ (893,112)
Total internal service funds	$ (880,506)	$ -	$ (12,606)	$ (893,112)
Government-wide				
Governmental activities	$ 145,201,405	$ (870,450)	$ (780,977)	$ 143,549,978
Business-type activities	284,632,250	(97,359)	(224,804)	284,310,087
Total government-wide	$ 429,833,655	$ (967,809)	$ (1,005,781)	$ 427,860,065
Proprietary funds				
Major funds				
Electric	$ 60,056,968	$ -	$ (102,948)	$ 59,954,020
Wastewater	90,347,045	-	(63,554)	90,283,491
Water	110,732,254	(97,359)	(51,999)	110,582,896
Nonmajor funds	23,495,983	-	(6,303)	23,489,680
Total proprietary funds	$ 284,632,250	$ (97,359)	$ (224,804)	$ 284,310,087

NOTE 19: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through April 30, 2026, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in these financial statements.

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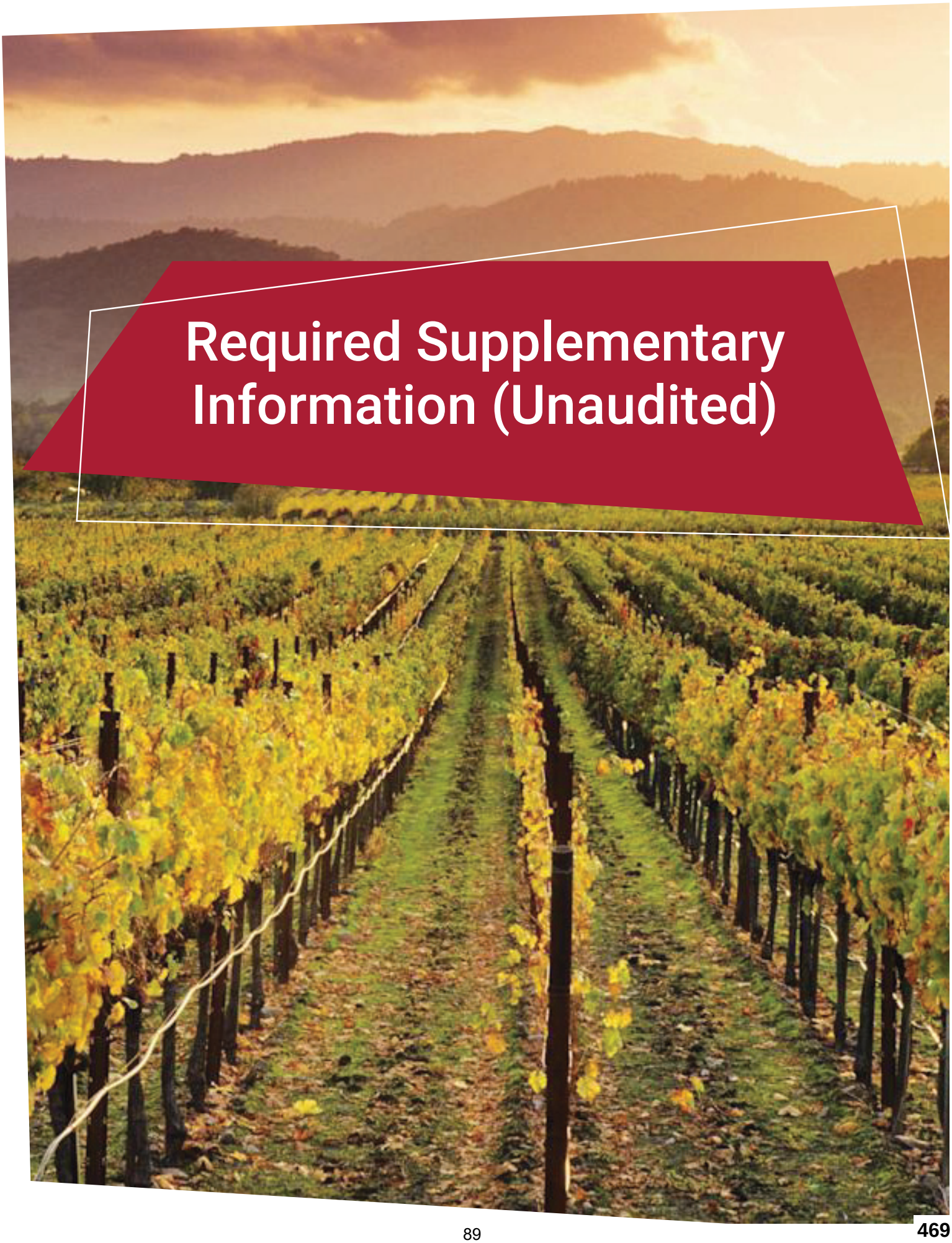


Required Supplementary Information (Unaudited)

CITY OF LODI, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Miscellaneous Plan
As of June 30, for the Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	$ 4,594,135	$ 4,110,460	$ 3,715,122	$ 3,122,428	$ 3,061,982
Interest on total pension liability	16,399,225	15,736,623	15,032,509	14,741,817	14,272,357
Changes of benefit terms	-	313,050	-	-	-
Changes of assumptions	-	-	6,251,327	-	-
Difference between expected and actual experience	2,380,220	3,214,135	(804,395)	699,175	(261,709)
Benefit payments, including refunds of employee contributions	(13,331,380)	(12,401,049)	(12,134,782)	(11,713,899)	(11,281,823)
Net change in total pension liability	**10,042,200**	**10,973,219**	**12,059,781**	**6,849,521**	**5,790,807**
Total pension liability-beginning	239,658,336	228,685,117	216,625,336	209,775,815	203,985,008
Total pension liability-ending (a)	**249,700,536**	**239,658,336**	**228,685,117**	**216,625,336**	**209,775,815**
PLAN FIDUCIARY NET POSITION					
Contributions-employer	6,791,999	6,582,802	5,961,536	7,699,946	5,480,277
Contributions-employee	3,314,853	2,953,977	2,586,528	2,129,311	1,743,741
Net investment income	16,048,840	9,952,810	(13,401,960)	33,076,897	7,191,594
Benefit payments, including refunds of employee contributions	(13,331,380)	(12,401,049)	(12,134,782)	(11,713,899)	(11,281,823)
Other changes in fiduciary net position	-	-	-	-	-
Administrative expense	-	-	-	-	-
Other miscellaneous income/(expense)	(136,184)	(117,946)	(110,567)	(146,291)	(202,321)
Net change in fiduciary net position	**12,688,128**	**6,970,594**	**(17,099,245)**	**31,045,964**	**2,931,468**
Plan fiduciary net position-beginning	167,363,801	160,393,207	177,492,452	146,446,488	143,515,020
Plan fiduciary net position-ending (b)	**180,051,929**	**167,363,801**	**160,393,207**	**177,492,452**	**146,446,488**
Net pension liability/(asset) (a) - (b)	**$ 69,648,607**	**$ 72,294,535**	**$ 68,291,910**	**$ 39,132,884**	**$ 63,329,327**
Plan fiduciary net position as a percentage of the total pension liability	**72.1%**	**69.8%**	**70.1%**	**81.9%**	**69.8%**
Covered payroll	$ 23,911,926	$ 21,474,694	$ 19,662,644	$ 19,355,131	$ 18,257,959
Plan net pension liability/(asset) as a percentage of covered payroll	**291.3%**	**336.6%**	**347.3%**	**202.2%**	**346.9%**

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the ***2021 CalPERS Experience Study and Review of Actuarial Assumptions***. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2020	2019	2018	2017	2016
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
$ 2,951,947	$ 3,020,122	$ 2,862,495	$ 2,464,894	$ 2,358,112
13,863,223	13,374,883	12,923,048	12,565,553	12,061,399
-	47,853	-	-	-
-	830,292	(398,276)	542,177	(2,903,507)
621,792	(950,894)	10,541,016	-	(1,655,012)
(10,490,850)	(9,814,728)	(9,129,724)	(8,641,550)	(8,208,103)
6,946,112	**6,507,528**	**16,798,559**	**6,931,074**	**1,652,889**
197,038,896	190,531,368	173,732,809	166,801,735	165,148,846
203,985,008	**197,038,896**	**190,531,368**	**173,732,809**	**166,801,735**
5,002,406	4,208,873	3,950,727	3,500,179	2,994,958
1,372,046	1,364,684	1,341,146	1,241,136	1,183,452
9,071,083	11,191,848	13,581,013	643,509	2,829,910
(10,490,850)	(9,814,728)	(9,129,724)	(8,641,550)	(8,208,103)
-	(206,493)	(181,224)	(76,838)	(145,538)
-	-	-	-	-
(98,627)	(391,520)	-	-	-
4,856,058	**6,352,664**	**9,561,938**	**(3,333,564)**	**(1,345,321)**
138,658,962	132,306,298	122,744,360	126,077,924	127,423,245
143,515,020	**138,658,962**	**132,306,298**	**122,744,360**	**126,077,924**
$ 60,469,988	**$ 58,379,934**	**$ 58,225,070**	**$ 50,988,449**	**$ 40,723,811**
70.4%	**70.4%**	**69.4%**	**70.7%**	**75.6%**
$ 18,995,671	$ 17,970,339	$ 17,423,446	$ 16,572,579	$ 16,669,363
318.3%	**324.9%**	**334.2%**	**307.7%**	**244.3%**

CITY OF LODI, CALIFORNIA
Schedule of Changes in Net Pension Liability and Related Ratios
Safety Plan
As of June 30, for the Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Measurement Date	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL PENSION LIABILITY					
Service cost	$ 4,428,097	$ 4,349,991	$ 4,186,724	$ 3,530,630	$ 3,251,866
Interest on total pension liability	17,260,601	16,480,799	15,683,254	14,951,257	14,313,890
Changes of benefit terms	-	97,253	-	-	-
Changes of assumptions	-	-	9,386,694	-	-
Difference between expected and actual experience	3,280,114	3,613,070	1,503,991	2,342,238	(329,854)
Benefit payments, including refunds of employee contributions	(13,195,347)	(12,501,642)	(11,704,974)	(11,326,169)	(10,940,141)
Net change in total pension liability	**11,773,465**	**12,039,471**	**19,055,689**	**9,497,956**	**6,295,761**
Total pension liability-beginning	251,257,140	239,217,669	220,161,980	210,664,024	204,368,263
Total pension liability-ending (a)	**263,030,605**	**251,257,140**	**239,217,669**	**220,161,980**	**210,664,024**
PLAN FIDUCIARY NET POSITION					
Contributions-employer	9,139,667	8,504,395	7,621,817	9,831,931	6,927,425
Contributions-employee	2,779,255	2,517,008	2,383,799	2,238,261	1,835,228
Net investment income	14,564,232	8,897,338	(11,966,715)	29,108,868	6,175,068
Benefit payments, including refunds of employee contributions	(13,195,347)	(12,501,642)	(11,704,974)	(11,326,169)	(10,940,141)
Other changes in fiduciary net position	-	-	-	-	-
Administrative expense	-	-	-	-	-
Other miscellaneous income/(expense)	(122,147)	(105,009)	(97,530)	(126,704)	(173,420)
Net change in fiduciary net position	**13,165,660**	**7,312,090**	**(13,763,603)**	**29,726,187**	**3,824,160**
Plan fiduciary net position-beginning	150,112,815	142,800,725	156,564,328	126,838,141	123,013,981
Plan fiduciary net position-ending (b)	**163,278,475**	**150,112,815**	**142,800,725**	**156,564,328**	**126,838,141**
Net pension liability/(asset) (a) - (b)	**$ 99,752,130**	**$ 101,144,325**	**$ 96,416,944**	**$ 63,597,652**	**$ 83,825,883**
Plan fiduciary net position as a percentage of the total pension liability	**62.1%**	**59.7%**	**59.7%**	**71.1%**	**60.2%**
Covered payroll	$ 14,582,606	$ 13,895,532	$ 13,061,895	$ 11,816,374	$ 10,779,847
Plan net pension liability/(asset) as a percentage of covered payroll	**684.0%**	**727.9%**	**738.2%**	**538.2%**	**777.6%**

Notes to Schedule of Changes in the Net Pension Liability and Related Ratios:

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the ***2021 CalPERS Experience Study and Review of Actuarial Assumptions***. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

2020	2019	2018	2017	2016
6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
$ 3,005,853	$ 3,385,583	$ 3,336,917	$ 2,890,607	$ 2,968,819
13,882,332	13,288,494	12,869,943	12,357,788	11,827,918
-	-	-	-	-
-	(681,450)	10,945,791	-	(2,939,033)
1,853,213	(122,816)	1,123,761	600,847	(932,918)
(10,350,986)	(9,712,985)	(9,433,148)	(8,730,081)	(8,134,067)
8,390,412	**6,156,826**	**18,843,264**	**7,119,161**	**2,790,719**
195,977,851	189,821,025	170,977,761	163,858,600	161,067,881
204,368,263	**195,977,851**	**189,821,025**	**170,977,761**	**163,858,600**
6,462,421	5,549,746	5,220,306	4,660,278	4,176,197
1,173,690	1,079,094	1,095,689	1,062,984	1,007,876
7,740,905	9,544,033	11,443,777	558,434	2,397,191
(10,350,986)	(9,712,985)	(9,433,148)	(8,730,081)	(8,134,067)
-	(174,988)	(153,469)	(64,882)	(119,971)
-	-	-	-	-
(83,983)	(331,781)	-	-	-
4,942,047	**5,953,119**	**8,173,155**	**(2,513,267)**	**(672,774)**
118,071,934	112,118,815	103,945,660	106,458,927	107,131,701
123,013,981	**118,071,934**	**112,118,815**	**103,945,660**	**106,458,927**
$ 81,354,282	**$ 77,905,917**	**$ 77,702,210**	**$ 67,032,101**	**$ 57,399,673**
60.2%	**60.2%**	**59.1%**	**60.8%**	**65.0%**
$ 11,886,327	$ 11,518,923	$ 11,106,615	$ 11,293,867	$ 11,194,123
684.4%	**676.3%**	**699.6%**	**593.5%**	**512.8%**

CITY OF LODI, CALIFORNIA
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years [1]

	2025	2024	2023
Measurement Date	6/30/2024	6/30/2023	6/30/2022
TOTAL OPEB LIABILITY			
Service cost	$ 518,707	$ 489,688	$ 612,084
Interest on total pension liability	909,184	911,754	770,603
Changes of benefit terms	-	-	-
Changes of assumptions	(682,341)	(518,899)	(2,550,112)
Difference between expected and actual experience	192	(139,516)	18,073
Benefit payments, including refunds of employee contributions	(1,687,041)	(1,724,619)	(1,675,690)
Net change in total OPEB liability	**(941,299)**	**(981,592)**	**(2,825,042)**
Total OPEB liability-beginning	20,350,897	21,332,489	24,157,531
Total OPEB liability-ending (a)	**19,409,598**	**20,350,897**	**21,332,489**
PLAN FIDUCIARY NET POSITION			
Contributions-employer	1,687,041	1,724,619	1,675,690
Contributions-employee	-	-	-
Net investment income	230,663	74,607	(301,425)
Benefit payments, including refunds of employee contributions	(1,687,041)	(1,724,619)	(1,675,690)
Net plan to plan resource movement	-	-	-
Administrative expense	(1,556)	(600)	(606)
Other miscellaneous income/(expense)	-	-	-
Net change in fiduciary net position	**229,107**	**74,007**	**(302,031)**
Plan fiduciary net position-beginning	2,168,237	2,094,230	2,396,261
Plan fiduciary net position-ending (b)	**2,397,344**	**2,168,237**	**2,094,230**
Net OPEB liability/(asset) (a) - (b)	**$ 17,012,254**	**$ 18,182,660**	**$ 19,238,259**
Plan fiduciary net position as a percentage of the total OPEB liability	**12.4%**	**10.7%**	**9.8%**
Covered-employee payroll	$ 43,873,430	$ 45,845,341	$ 36,431,628
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	**38.8%**	**39.7%**	**52.8%**

Notes to Schedule of Changes in the Net OPEB Liability and Related Ratios:

Benefit Changes: None

Changes of Assumptions: None

[1] *Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.*

2022	2021	2020	2019
6/30/2021	6/30/2020	6/30/2019	6/30/2018
$ 745,536	$ 757,587	$ 1,092,362	$ 1,042,935
932,315	875,524	1,269,594	1,240,787
-	-	-	-
614,806	(958,836)	(1,584,690)	(209,408)
(2,659,765)	(28,866)	(5,914,145)	-
(1,836,904)	(1,772,822)	(1,940,352)	(1,862,969)
(2,204,012)	**(1,127,413)**	**(7,077,231)**	**211,345**
26,361,543	27,488,956	34,566,187	34,354,842
24,157,531	**26,361,543**	**27,488,956**	**34,566,187**
1,836,904	2,470,847	1,940,352	1,862,969
-	-	-	-
393,880	81,556	80,425	66,683
(1,836,904)	(1,772,822)	(1,940,352)	(1,862,969)
-	-	-	-
(730)	(815)	(246)	(1,997)
-	-	-	-
393,150	**778,766**	**80,179**	**64,686**
2,003,111	1,224,345	1,144,166	1,079,480
2,396,261	**2,003,111**	**1,224,345**	**1,144,166**
$ 21,761,270	**$ 24,358,432**	**$ 26,264,611**	**$ 33,422,021**
9.9%	**7.6%**	**4.5%**	**3.3%**
$ 34,262,678	$ 32,883,009	$ 33,204,023	$ 35,314,645
63.5%	**74.1%**	**79.1%**	**94.6%**

CITY OF LODI, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

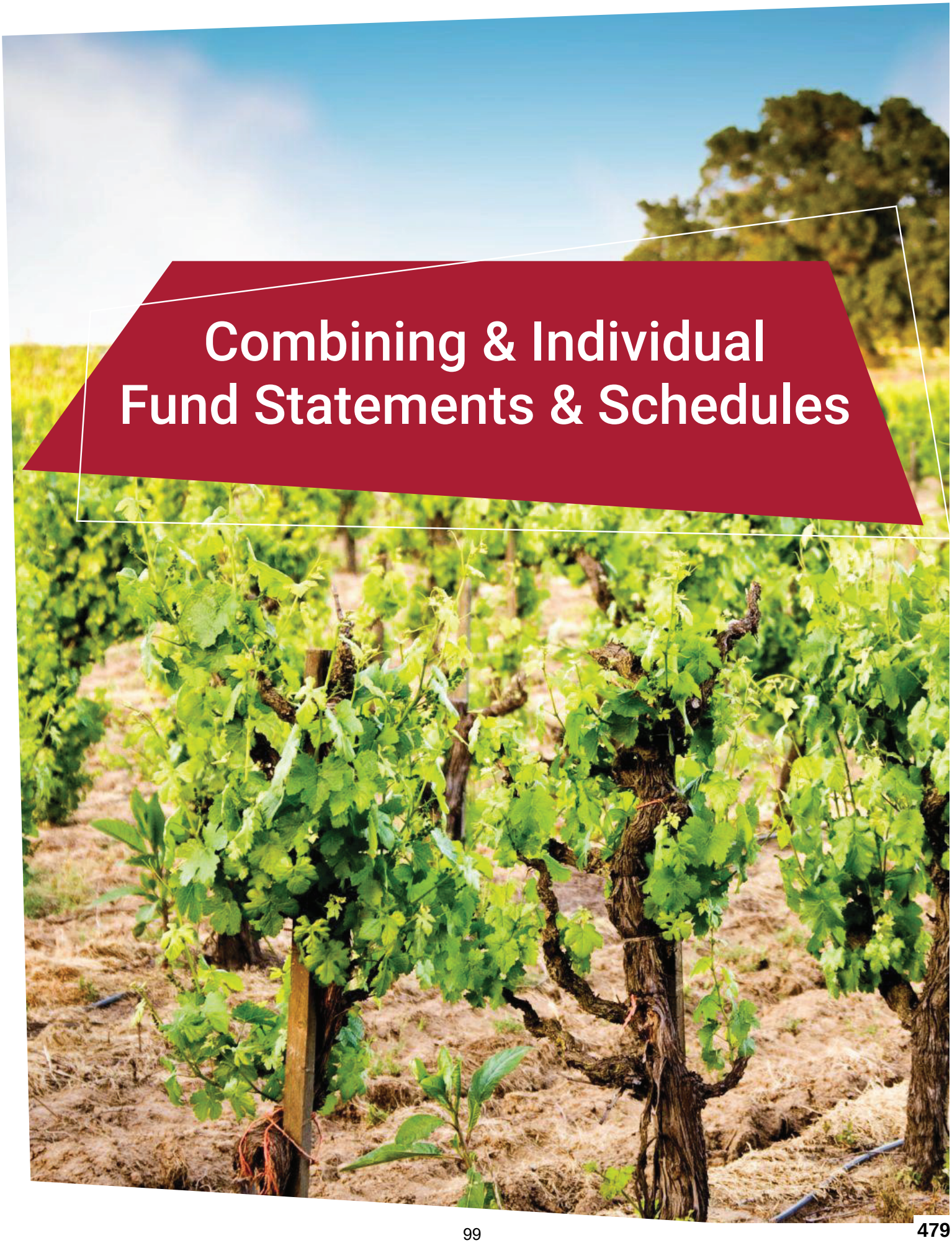
Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered-Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
		Miscellaneous Agent, Multiple-Employer Pension Plan			
2025	$ 6,574,716	$ 6,987,364	$ (412,648)	$ 26,772,349	26.1%
2024	6,506,762	6,160,227	346,535	23,911,926	25.8%
2023	5,803,595	5,948,478	(144,883)	21,474,694	27.7%
2022	5,736,690	7,699,946	(1,963,256)	19,662,644	39.2%
2021	5,323,688	9,611,114	(4,287,426)	19,355,131	49.7%
2020	4,879,985	5,496,434	(616,449)	18,257,959	30.1%
2019	4,208,873	4,208,873	-	17,970,339	23.4%
2018	3,880,495	3,880,495	-	17,802,886	21.8%
2017	3,500,179	3,500,179	-	17,432,446	20.1%
2016	2,994,958	2,994,958	-	16,572,579	18.1%
		Safety Agent, Multiple-Employer Pension Plan			
2025	$ 9,013,647	$ 11,050,288	$ (2,036,641)	$ 15,041,089	73.5%
2024	8,165,282	9,845,404	(1,680,122)	14,582,606	67.5%
2023	7,428,778	9,115,881	(1,687,103)	13,895,532	65.6%
2022	7,189,903	9,831,931	(2,642,028)	13,061,895	75.3%
2021	6,739,342	7,955,910	(1,216,568)	11,816,374	67.3%
2020	6,311,400	6,847,548	(536,148)	10,779,847	63.5%
2019	5,549,746	5,549,746	-	11,518,923	48.2%
2018	5,136,610	5,136,610	-	11,477,432	44.8%
2017	4,660,278	4,660,278	-	11,106,615	42.0%
2016	4,176,197	4,176,197	-	11,293,867	37.0%
		Single Employer OPEB Plan			
2025	$ -	$ 1,663,768	$ (1,663,768)	$ 43,873,430	3.8%
2024	-	1,686,853	(1,686,853)	45,845,341	3.7%
2023	-	1,724,619	(1,724,619)	42,040,745	4.1%
2022	-	1,826,983	(1,826,983)	36,431,628	5.0%
2021	-	1,885,306	(1,885,306)	34,262,678	5.5%
2020	-	2,046,385	(2,046,385)	32,883,009	6.2%
2019	-	1,940,352	(1,940,352)	33,204,023	5.8%
2018	-	1,862,949	(1,862,949)	34,286,063	5.4%

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 37,273,990	$ 38,568,990	$ 39,126,749	$ 557,759
Sales and use tax	25,963,430	24,127,300	24,986,453	859,153
Licenses and permits	116,990	121,990	78,365	(43,625)
Intergovernmental revenues	1,951,500	1,951,500	1,587,474	(364,026)
Charges for services	2,003,200	2,003,200	1,902,471	(100,729)
Investment and rental income	4,618,400	6,863,280	8,917,695	2,054,415
Fines, forfeits, and penalties	315,070	315,070	330,152	15,082
Miscellaneous revenue	1,012,730	1,112,730	1,400,717	287,987
Total revenues	**73,255,310**	**75,064,060**	**78,330,076**	**3,266,016**
EXPENDITURES				
Current:				
General government	16,229,590	24,787,112	15,976,667	8,810,445
Public protection	48,584,500	50,266,871	48,135,679	2,131,192
Community development	3,459,690	3,682,690	3,258,995	423,695
Library	1,883,520	2,005,520	1,599,133	406,387
Public works	236,800	243,800	226,657	17,143
Debt service:				
Principal retirement	-	-	587,032	(587,032)
Interest expense	-	-	102,655	(102,655)
Total expenditures	**70,394,100**	**80,985,993**	**69,886,818**	**11,099,175**
Excess (deficiency) of revenues over (under) expenditures	**2,861,210**	**(5,921,933)**	**8,443,258**	**14,365,191**
OTHER FINANCING SOURCES (USES)				
Transfers in	11,767,350	12,279,627	11,767,350	(512,277)
Transfers out	(14,638,150)	(13,106,644)	(12,883,330)	223,314
Proceeds from sale of capital assets	-	-	8,563	8,563
Total other financing sources (uses)	**(2,870,800)**	**(827,017)**	**(1,107,417)**	**(280,400)**
Net change in fund balances	**$ (9,590)**	**$ (6,748,950)**	**7,335,841**	**$ 14,084,791**
Fund balances-beginning			44,633,035	
Fund balances-ending			**$ 51,968,878**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Streets
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	$ 5,511,850	$ 5,511,850	$ 4,754,278	$ (757,572)
Charges for services	1,040,620	1,040,620	1,199,467	158,847
Investment and rental income	-	-	981,449	981,449
Miscellaneous revenue	45,000	45,000	49,679	4,679
Total revenues	**6,597,470**	**6,597,470**	**6,984,873**	**387,403**
EXPENDITURES				
Current:				
Public works	4,054,210	4,109,390	3,872,237	237,153
Capital outlay	1,265,000	6,793,171	688,015	6,105,156
Total expenditures	**5,319,210**	**10,902,561**	**4,560,252**	**6,342,309**
Excess (deficiency) of revenues over (under) expenditures	**1,278,260**	**(4,305,091)**	**2,424,621**	**6,729,712**
OTHER FINANCING SOURCES (USES)				
Transfers in	1,222,990	1,222,990	1,222,990	-
Transfers out	(622,290)	(595,717)	(567,110)	28,607
Proceeds from sale of capital assets	-	-	7,931	7,931
Total other financing sources (uses)	**600,700**	**627,273**	**663,811**	**36,538**
Net change in fund balances	**$ 1,878,960**	**$ (3,677,818)**	**3,088,432**	**$ 6,766,250**
Fund balances-beginning			17,470,596	
Fund balances-ending			**$ 20,559,023**	



Combining & Individual Fund Statements & Schedules

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Nonmajor Governmental Funds

Nonmajor Governmental Funds include:

Special Revenue Funds account for the proceeds of specific revenue sources that are restricted or committed by law or administrative action to expenditures for specified purposes, other than those for major capital projects;

Debt Service Fund account for the accumulation of resources for the repayment of principal and interest on general long-term debt;

Capital Projects Funds account for the financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Parks, Recreation & Community Services	Public Safety	Community Development	Transportation
ASSETS				
Cash and investments	$ 3,067,266	$ 822,401	$ 9,782,030	$ 123,281
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	89,697	-	1,916	-
Interest receivable	4,603	1,806	19,429	-
Due from other governmental agencies	605,196	64,746	-	-
Notes and loans	-	-	-	-
Inventory	2,707	-	-	-
Restricted assets:				
Restricted cash and investments	788,828	-	463,378	-
Total assets	**4,558,297**	**888,953**	**10,266,753**	**123,281**
LIABILITIES				
Accounts payable and other liabilities	103,978	-	488,700	13,889
Accrued salaries and wages	117,992	10,536	35,948	-
Unearned revenue	201,037	367,234	-	-
Due to other funds	-	-	-	-
Total liabilities	**423,007**	**377,770**	**524,648**	**13,889**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	265,206	3,872	-	-
Total deferred inflows of resources	**265,206**	**3,872**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	2,707	-	-	-
Restricted	788,828	507,311	9,742,105	109,392
Committed	3,078,549	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	**3,870,084**	**507,311**	**9,742,105**	**109,392**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 4,558,297**	**$ 888,953**	**$ 10,266,753**	**$ 123,281**

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			Capital Projects Funds
	HOME Program & CDBG	Special Assessments	Community Programs	Library
ASSETS				
Cash and investments	$ 104,643	$ 257,035	$ 389,710	$ 133,578
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	-	-	1,505	-
Interest receivable	209	406	777	272
Due from other governmental agencies	1,929,547	-	-	-
Notes and loans	38,997	-	38,605	-
Inventory	-	-	-	-
Restricted assets:				
Restricted cash and investments	-	-	-	-
Total assets	**2,073,396**	**257,441**	**430,597**	**133,850**
LIABILITIES				
Accounts payable and other liabilities	454,194	2,915	-	-
Accrued salaries and wages	-	-	-	-
Unearned revenue	772,255	-	38,605	-
Due to other funds	575,820	-	-	-
Total liabilities	**1,802,269**	**2,915**	**38,605**	**-**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	901,188	-	-	-
Total deferred inflows of resources	**901,188**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	254,526	391,992	-
Committed	-	-	-	-
Assigned	-	-	-	133,850
Unassigned	(630,061)	-	-	-
Total fund balances (deficits)	**(630,061)**	**254,526**	**391,992**	**133,850**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 2,073,396**	**$ 257,441**	**$ 430,597**	**$ 133,850**

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Capital Project Funds			Debt Service Funds
	Hutchins Street Square	Capital Outlay Reserve	Parks Capital	Debt
ASSETS				
Cash and investments	$ 1,311	$ 13,375,310	$ 1,284,915	$ -
Receivables (net of allowance for uncollectible):				
Accounts receivables, net	-	2,789,940	27	-
Interest receivable	3	29,380	2,561	-
Due from other governmental agencies	-	-	-	-
Notes and loans	-	-	-	-
Inventory	-	-	-	-
Restricted assets:				
Restricted cash and investments	-	13,999,639	-	-
Total assets	**1,314**	**30,194,269**	**1,287,503**	**-**
LIABILITIES				
Accounts payable and other liabilities	-	2,837,197	232,814	-
Accrued salaries and wages	-	-	-	-
Unearned revenue	-	15,949	-	-
Due to other funds	-	-	-	650
Total liabilities	**-**	**2,853,146**	**232,814**	**650**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	**-**	**-**	**-**	**-**
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	13,999,639	-	-
Committed	-	-	-	-
Assigned	1,314	13,341,484	1,054,689	-
Unassigned	-	-	-	(650)
Total fund balances (deficits)	**1,314**	**27,341,123**	**1,054,689**	**(650)**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 1,314**	**$ 30,194,269**	**$ 1,287,503**	**$ -**

CITY OF LODI, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Total Nonmajor Funds
ASSETS	
Cash and investments	$ 29,341,480
Receivables (net of allowance for uncollectible):	
Accounts receivables, net	2,883,085
Interest receivable	59,446
Due from other governmental agencies	2,599,489
Notes and loans	77,602
Inventory	2,707
Restricted assets:	
Restricted cash and investments	15,251,845
Total assets	**50,215,654**
LIABILITIES	
Accounts payable and other liabilities	4,133,687
Accrued salaries and wages	164,476
Unearned revenue	1,395,080
Due to other funds	576,470
Total liabilities	**6,269,713**
DEFERRED INFLOWS OF RESOURCES	
Unavailable revenues	1,170,266
Total deferred inflows of resources	**1,170,266**
FUND BALANCES (DEFICITS)	
Nonspendable	2,707
Restricted	25,793,793
Committed	3,078,549
Assigned	14,531,337
Unassigned	(630,711)
Total fund balances (deficits)	**42,775,675**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 50,215,654**

CITY OF LODI. CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			
	Parks, Recreation & Community Services	Public Safety	Community Development	Transportation
REVENUES				
Developer impact fees	$ -	$ -	$ -	$ -
Licenses and permits	-	-	2,535,945	-
Intergovernmental revenues	265,206	143,357	78,771	-
Charges for services	1,406,424	-	1,338,042	-
Investment and rental income	808,407	42,944	483,922	6,510
Miscellaneous revenue	-	-	-	-
Total revenues	**2,480,037**	**186,301**	**4,436,680**	**6,510**
EXPENDITURES				
Current:				
General government	-	33,770	-	-
Public protection	-	202,124	-	-
Community development	-	-	3,198,999	-
Parks and recreation	7,291,803	11,692	-	-
Public works	-	-	7,709	-
Capital outlay	23,915	-	-	173,861
Debt service:				
Principal retirement	-	-	32,004	-
Interest expense	-	-	4,494	-
Total expenditures	**7,315,718**	**247,586**	**3,243,206**	**173,861**
Excess (deficiency) of revenues over (under) expenditures	**(4,835,681)**	**(61,285)**	**1,193,474**	**(167,351)**
OTHER FINANCING SOURCES (USES)				
Transfers in	6,669,910	-	165,000	-
Transfers out	(1,673,180)	-	(454,330)	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	**4,996,730**	**-**	**(289,330)**	**-**
Net change in fund balances	**161,049**	**(61,285)**	**904,144**	**(167,351)**
Fund balances-beginning	3,709,021	568,595	8,837,968	276,743
Fund balances (deficit)-ending	**$ 3,870,084**	**$ 507,311**	**$ 9,742,105**	**$ 109,392**

CITY OF LODI. CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			Capital Project Funds
	HOME Program & CDBG	Special Assessments	Community Programs	Library
REVENUES				
Developer impact fees	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	2,404,713	33,803	-	-
Charges for services	-	-	-	-
Investment and rental income	4,718	11,830	18,792	-
Miscellaneous revenue	-	-	-	-
Total revenues	**2,409,431**	**45,633**	**18,792**	**-**
EXPENDITURES				
Current:				
General government	-	46,631	-	-
Public protection	-	-	-	-
Community development	9,630	-	13,000	-
Parks and recreation	-	-	-	-
Public works	593,008	-	-	-
Capital outlay	2,696,531	-	-	-
Debt service:				
Principal retirement	-	-	50,000	-
Interest expense	-	-	-	-
Total expenditures	**3,299,169**	**46,631**	**63,000**	**-**
Excess (deficiency) of revenues over (under) expenditures	**(889,738)**	**(998)**	**(44,208)**	**-**
OTHER FINANCING SOURCES (USES)				
Transfers in	125,000	-	-	-
Transfers out	-	-	-	-
Loan proceeds	-	-	10,080	-
Total other financing sources (uses)	**125,000**	**-**	**10,080**	**-**
Net change in fund balances	**(764,738)**	**(998)**	**(34,128)**	**-**
Fund balances-beginning	134,678	255,526	426,119	133,850
Fund balances (deficit)-ending	**$ (630,061)**	**$ 254,526**	**$ 391,992**	**$ 133,850**

CITY OF LODI. CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Funds			Debt Service Funds
	Hutchins Street Square	Capital Outlay Reserve	Parks Capital	Debt
REVENUES				
Developer impact fees	$ -	$ 2,580,058	$ -	$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	2,769,609	-	-
Charges for services	-	-	-	-
Investment and rental income	59	748,073	82,833	-
Miscellaneous revenue	-	100,000	-	-
Total revenues	**59**	**6,197,740**	**82,833**	**-**
EXPENDITURES				
Current:				
General government	-	-	-	-
Public protection	-	-	-	-
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	-	10,969,192	2,349,939	-
Debt service:				
Principal retirement	-	-	-	680,000
Interest expense	-	-	-	964,950
Total expenditures	**-**	**10,969,192**	**2,349,939**	**1,644,950**
Excess (deficiency) of revenues over (under) expenditures	**59**	**(4,771,452)**	**(2,267,106)**	**(1,644,950)**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	487,840	151,360	1,644,300
Transfers out	-	-	-	-
Loan proceeds	-	-	-	-
Total other financing sources (uses)	**-**	**487,840**	**151,360**	**1,644,300**
Net change in fund balances	**59**	**(4,283,612)**	**(2,115,746)**	**(650)**
Fund balances-beginning	1,255	31,624,733	3,170,435	-
Fund balances (deficit)-ending	**$ 1,314**	**$ 27,341,123**	**$ 1,054,689**	**$ (650)**

CITY OF LODI. CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Total Nonmajor Funds
REVENUES	
Developer impact fees	$ 2,580,058
Licenses and permits	2,535,945
Intergovernmental revenues	5,695,459
Charges for services	2,744,466
Investment and rental income	2,208,088
Miscellaneous revenue	100,000
Total revenues	**15,864,016**
EXPENDITURES	
Current:	
General government	80,401
Public protection	202,124
Community development	3,221,629
Parks and recreation	7,303,495
Public works	600,717
Capital outlay	16,213,438
Debt service:	
Principal retirement	762,004
Interest expense	969,444
Total expenditures	**29,353,252**
Excess (deficiency) of revenues over (under) expenditures	**(13,489,236)**
OTHER FINANCING SOURCES (USES)	
Transfers in	9,243,410
Transfers out	(2,127,510)
Loan proceeds	10,080
Total other financing sources (uses)	**7,125,980**
Net change in fund balances	**(6,363,256)**
Fund balances-beginning	49,138,923
Fund balances (deficit)-ending	**$ 42,775,675**

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Parks, Recreation & Community Services
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	$ 224,865	$ 224,865	$ 265,206	$ 40,341
Charges for services	1,890,720	1,890,720	1,406,424	(484,296)
Investment and rental income	565,750	593,430	808,407	214,977
Miscellaneous revenue	34,000	34,000	-	(34,000)
Total revenues	**2,715,335**	**2,743,015**	**2,480,037**	**(262,978)**
EXPENDITURES				
Current:				
Parks and recreation	8,099,815	8,200,495	7,291,803	908,692
Capital outlay	-	206,049	23,915	182,134
Total expenditures	**8,099,815**	**8,406,544**	**7,315,718**	**1,090,826**
Excess (deficiency) of revenues over (under) expenditures	**(5,384,480)**	**(5,663,529)**	**(4,835,681)**	**827,848**
OTHER FINANCING SOURCES (USES)				
Transfers in	6,669,910	6,669,910	6,669,910	-
Transfers out	(1,678,180)	(1,746,357)	(1,673,180)	73,177
Total other financing sources (uses)	**4,991,730**	**4,923,553**	**4,996,730**	**73,177**
Net change in fund balances	**$ (392,750)**	**$ (739,976)**	**161,049**	**$ 901,025**
Fund balances-beginning			3,709,035	
Fund balances-ending			**$ 3,870,098**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Public Safety
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	$ 344,500	$ 608,361	$ 143,357	$ (465,004)
Investment and rental income	-	-	42,944	42,944
Total revenues	**344,500**	**608,361**	**186,301**	**(422,060)**
EXPENDITURES				
Current:				
General government	28,425	37,425	33,770	3,655
Public protection	230,460	469,471	202,124	267,347
Parks and recreation	-	15,850	11,692	4,158
Total expenditures	**258,885**	**522,746**	**247,586**	**275,160**
Net change in fund balances	**$ 85,615**	**$ 85,615**	**(61,285)**	**$ (146,900)**
Fund balances-beginning			568,596	
Fund balances-ending			**$ 507,312**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Community Development
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Licenses and permits	$ 1,658,300	$ 1,658,300	$ 2,535,945	$ 877,645
Intergovernmental revenues	5,000	5,000	78,771	73,771
Charges for services	1,096,220	1,096,220	1,338,042	241,822
Investment and rental income	-	-	483,922	483,922
Total revenues	**2,759,520**	**2,759,520**	**4,436,680**	**1,677,160**
EXPENDITURES				
Current:				
Community development	3,162,940	5,112,416	3,198,999	1,913,417
Public works	7,500	7,500	7,709	(209)
Debt service:				
Public works	-	-	32,004	(32,004)
Capital outlay	-	-	4,494	(4,494)
Total expenditures	**3,170,440**	**5,119,916**	**3,243,206**	**1,876,710**
Excess (deficiency) of revenues over (under) expenditures	**(410,920)**	**(2,360,396)**	**1,193,474**	**3,553,870**
OTHER FINANCING SOURCES (USES)				
Transfers in	165,000	165,000	165,000	-
Transfers out	(521,580)	(482,425)	(454,330)	28,095
Total other financing sources (uses)	**(356,580)**	**(317,425)**	**(289,330)**	**28,095**
Net change in fund balances	**$ (767,500)**	**$ (2,677,821)**	**904,144**	**$ 3,581,965**
Fund balances-beginning			8,837,961	
Fund balances-ending			**$ 9,742,098**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Transportation
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	$ 103,140	$ 103,140	$ -	$ (103,140)
Investment and rental income	-	-	6,510	6,510
Total revenues	**103,140**	**103,140**	**6,510**	**(96,630)**
EXPENDITURES				
Current:				
Capital outlay	100,000	113,528	173,861	(60,333)
Total expenditures	**100,000**	**113,528**	**173,861**	**(60,333)**
Net change in fund balances	**$ 3,140**	**$ (10,388)**	**(167,351)**	**$ (156,963)**
Fund balances-beginning			276,743	
Fund balances-ending			**$ 109,392**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
HOME Program & CDBG
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	$ 10,498,460	$ 11,198,617	$ 2,404,713	$ (8,793,904)
Investment and rental income	-	-	4,718	4,718
Total revenues	**10,498,460**	**11,198,617**	**2,409,431**	**(8,789,186)**
EXPENDITURES				
Current:				
Community development	41,050	41,050	9,630	31,420
Public works	807,260	1,007,417	593,008	414,409
Capital outlay	215,000	12,393,766	2,696,531	9,697,235
Total expenditures	**1,063,310**	**13,442,233**	**3,299,169**	**10,143,064**
Excess (deficiency) of revenues over (under) expenditures	**9,435,150**	**(2,243,616)**	**(889,738)**	**1,353,878**
OTHER FINANCING SOURCES (USES)				
Transfers in	125,000	125,000	125,000	-
Total other financing sources (uses)	**125,000**	**125,000**	**125,000**	**-**
Net change in fund balances	**$ 9,560,150**	**$ (2,118,616)**	**(764,738)**	**$ 1,353,878**
Fund balances-beginning			134,677	
Fund balances (deficit)-ending			**$ (630,062)**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Special Assessments
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	$ 33,800	$ 33,800	$ 33,803	$ 3
Investment and rental income	-	-	11,830	11,830
Total revenues	**33,800**	**33,800**	**45,633**	**11,833**
EXPENDITURES				
Current:				
General government	56,000	56,000	46,631	9,369
Total expenditures	**56,000**	**56,000**	**46,631**	**9,369**
Net change in fund balances	**$ (22,200)**	**$ (22,200)**	**(998)**	**$ 21,202**
Fund balances-beginning			255,524	
Fund balances-ending			**$ 254,524**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Community Programs
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and rental income	$ -	$ -	$ 18,792	$ 18,792
Total revenues	**-**	**-**	**18,792**	**18,792**
EXPENDITURES				
Current:				
Community development	121,000	121,000	13,000	108,000
Debt service:				
Public works	294,200	294,200	50,000	244,200
Total expenditures	**415,200**	**415,200**	**63,000**	**352,200**
Excess (deficiency) of revenues over (under) expenditures	**(415,200)**	**(415,200)**	**(44,208)**	**370,992**
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	10,080	10,080
Total other financing sources (uses)	**-**	**-**	**10,080**	**10,080**
Net change in fund balances	**$ (415,200)**	**$ (415,200)**	**(34,128)**	**$ 381,072**
Fund balances-beginning			426,120	
Fund balances (deficit)-ending			**$ 391,993**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Capital Outlay Reserve
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Developer impact fees	$ 1,730,630	$ 1,730,630	$ 2,580,058	$ 849,428
Intergovernmental revenues	-	-	2,769,609	2,769,609
Investment and rental income	-	-	748,073	748,073
Miscellaneous revenue	-	100,000	100,000	-
Total revenues	**1,730,630**	**1,830,630**	**6,197,740**	**4,367,110**
EXPENDITURES				
Current:				
Capital outlay	350,000	23,668,067	10,969,192	12,698,875
Total expenditures	**350,000**	**23,668,067**	**10,969,192**	**12,698,875**
Excess (deficiency) of revenues over (under) expenditures	**1,380,630**	**(21,837,437)**	**(4,771,452)**	**17,065,985**
OTHER FINANCING SOURCES (USES)				
Transfers in	407,840	487,840	487,840	-
Total other financing sources (uses)	**407,840**	**487,840**	**487,840**	**-**
Net change in fund balances	**$ 1,788,470**	**$ (21,349,597)**	**(4,283,612)**	**$ 17,065,985**
Fund balances-beginning			31,624,735	
Fund balances-ending			**$ 27,341,125**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Parks Capital
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Investment and rental income	$ -	$ -	$ 82,833	$ 82,833
Total revenues	**-**	**-**	**82,833**	**82,833**
EXPENDITURES				
Capital outlay	160,000	5,479,209	2,349,939	3,129,270
Total expenditures	**160,000**	**5,479,209**	**2,349,939**	**3,129,270**
Excess (deficiency) of revenues over (under) expenditures	**(160,000)**	**(5,479,209)**	**(2,267,106)**	**3,212,103**
OTHER FINANCING SOURCES (USES)				
Transfers in	151,360	151,360	151,360	-
Total other financing sources (uses)	**151,360**	**151,360**	**151,360**	**-**
Net change in fund balances	**$ (8,640)**	**$ (5,327,849)**	**(2,115,746)**	**$ 3,212,103**
Fund balances-beginning			3,170,435	
Fund balances-ending			**$ 1,054,689**	

CITY OF LODI, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Debt Service
For the Year Ended June 30, 2025

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
EXPENDITURES				
Debt service:				
Public works	$ 693,600	$ 693,600	$ 680,000	$ 13,600
Capital outlay	950,700	951,350	964,950	(13,600)
Total expenditures	**1,644,300**	**1,644,950**	**1,644,950**	**-**
Excess (deficiency) of revenues over (under) expenditures	**(1,644,300)**	**(1,644,950)**	**(1,644,950)**	**-**
OTHER FINANCING SOURCES (USES)				
Transfers in	1,644,300	1,644,300	1,644,300	-
Total other financing sources (uses)	**1,644,300**	**1,644,300**	**1,644,300**	**-**
Net change in fund balances	**$ -**	**$ (650)**	**(650)**	**$ -**
Fund balances-beginning			-	
Fund balances (deficit)-ending			**$ (650)**	

CITY OF LODI, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2025

	Fleet	Benefit	Insurance	Vehicle and Equipment	Total Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	$ 275,080	$ 2,728,832	$ 21,125,260	$ 6,134,588	$ 30,263,760
Receivables (net of uncollectibles):					
Accounts receivable, net	34	229,160	159,175	-	388,369
Notes and loans	-	-	-	-	-
Interest receivable	-	5,904	42,038	8,221	56,163
Inventory	226,208	-	-	-	226,208
Restricted:					
Restricted cash and investments	211,509	2,686,383	44,949	-	2,942,841
Total current assets	712,831	5,650,279	21,371,422	6,142,809	33,877,341
Noncurrent:					
Capital assets, net	23,874	-	-	-	23,874
Total noncurrent assets	23,874	-	-	-	23,874
Total assets	**736,705**	**5,650,279**	**21,371,422**	**6,142,809**	**33,901,215**
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	247,340	-	-	-	247,340
OPEB related	9,577	-	-	-	9,577
Total deferred outflows of resources	**256,917**	**-**	**-**	**-**	**256,917**
LIABILITIES					
Current liabilities:					
Accounts payable and other liabilities	100,973	48,372	183,787	193,923	527,055
Accrued salaries and wages	15,933	-	-	-	15,933
Accrued interest	503	-	-	-	503
Subscription liability	1,175	-	-	-	1,175
Accrued compensated absences	46,048	-	-	-	46,048
Total current liabilities	164,632	48,372	183,787	193,923	590,714
Noncurrent liabilities:					
Self insurance liability	-	-	8,017,916	-	8,017,916
Accrued compensated absences	275,509	-	-	-	275,509
Subscription liability	9,310	-	-	-	9,310
Net pension liability	1,396,008	-	-	-	1,396,008
Net OPEB liability	80,367	-	-	-	80,367
Total noncurrent liabilities	1,761,194	-	8,017,916	-	9,779,110
Total liabilities	**1,925,826**	**48,372**	**8,201,703**	**193,923**	**10,369,824**
DEFERRED INFLOWS OF RESOURCES					
OPEB related	27,748	-	-	-	27,748
Total deferred inflows of resources	**27,748**	**-**	**-**	**-**	**27,748**
NET POSITION					
Net investment in capital assets	-	-	-	-	-
Unrestricted	(959,952)	5,601,907	13,169,719	5,948,886	23,760,560
Total net position	**$ (959,952)**	**$ 5,601,907**	**$ 13,169,719**	**$ 5,948,886**	**$ 23,760,560**

CITY OF LODI, CALIFORNIA
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Fleet	Benefit	Insurance	Vehicle and Equipment	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	$ 998,231	$ 9,865,943	$ 5,295,846	$ 2,425,806	$ 18,585,826
Total operating revenues	**998,231**	**9,865,943**	**5,295,846**	**2,425,806**	**18,585,826**
OPERATING EXPENSES					
Personnel services	771,130	897,023	597,397	-	2,265,550
Supplies, materials and services	263,236	8,128,758	3,551,597	1,050,724	12,994,315
Utilities	14,947	-	-	-	14,947
Depreciation and amortization	2,759	-	-	-	2,759
Claims/premiums	50,110	1,870,947	962,174	-	2,883,231
Total operating expenses	**1,102,182**	**10,896,728**	**5,111,168**	**1,050,724**	**18,160,802**
Operating income (loss)	**(103,951)**	**(1,030,785)**	**184,678**	**1,375,082**	**425,024**
NONOPERATING REVENUES (EXPENSES)					
Investment income	37,710	429,149	917,835	260,157	1,644,851
Interest expense	(599)	-	-	-	(599)
Gain on sale of city property	-	-	-	2,550	2,550
Total nonoperating revenues (expenses)	**37,111**	**429,149**	**917,835**	**262,707**	**1,646,802**
Income (loss) before capital contributions and transfers	**(66,840)**	**(601,636)**	**1,102,513**	**1,637,789**	**2,071,826**
Transfers out	-	-	(10,000)	-	(10,000)
Change in net position	**(66,840)**	**(601,636)**	**1,092,513**	**1,637,789**	**2,061,826**
Net position-beginning	(880,505)	6,203,543	12,077,193	4,311,101	21,711,332
Restatements	(12,607)	-	13	(4)	(12,598)
Net position-beginning, restated	(893,112)	6,203,543	12,077,206	4,311,097	21,698,734
Net position-ending	**$ (959,952)**	**$ 5,601,907**	**$ 13,169,719**	**$ 5,948,886**	**$ 23,760,560**

CITY OF LODI, CALIFORNIA
Combining Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Fleet	Benefit	Insurance	Vehicle and Equipment	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from interfund charges	$ 998,255	$ 9,828,320	$ 5,146,991	$ 2,425,806	$ 18,399,372
Payments to suppliers and service providers	(318,228)	(9,918,409)	(4,395,629)	(891,666)	(15,523,932)
Payments to employees for salaries and benefits	(868,749)	(897,023)	(579,596)	-	(2,345,368)
Net cash provided by (used for) operating activities	**(188,722)**	**(987,112)**	**171,766**	**1,534,140**	**530,072**
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	-	-	(10,000)	-	(10,000)
Net cash provided by (used for) noncapital financing activities	**-**	**-**	**(10,000)**	**-**	**(10,000)**
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on capital debt	(1,138)	-	-	-	(1,138)
Interest paid on capital debt	(360)	-	-	-	(360)
Proceeds from sales of assets	-	-	-	2,550	2,550
Net cash provided by (used for) capital and related financing activities	**(1,498)**	**-**	**-**	**2,550**	**1,052**
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	31,410	432,252	924,067	258,158	1,645,887
Net cash provided by (used for) investing activities	**31,410**	**432,252**	**924,067**	**258,158**	**1,645,887**
Net increase (decrease) in cash and cash equivalents	**(158,810)**	**(554,860)**	**1,085,833**	**1,794,848**	**2,167,011**
Cash and cash equivalents-beginning	645,399	5,970,075	20,084,376	4,339,740	31,039,590
Cash and cash equivalents-ending	**$ 486,589**	**$ 5,415,215**	**$ 21,170,209**	**$ 6,134,588**	**$ 33,206,601**
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and investments	$ 275,080	$ 2,728,832	$ 21,125,260	$ 6,134,588	$ 30,263,760
Restricted cash and investments	211,509	2,686,383	44,949	-	2,942,841
Total cash and cash equivalents	$ 486,589	$ 5,415,215	$ 21,170,209	$ 6,134,588	$ 33,206,601
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES					
Operating income (loss)	$ (103,951)	$ (1,030,785)	$ 184,678	$ 1,375,082	$ 425,024
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	2,759	-	-	-	2,759
(Increase) decrease in accounts receivable	24	(37,623)	(148,855)	-	(186,454)
(Increase) decrease in inventories	(37,583)	-	-	-	(37,583)
(Increase) decrease in prepaid items	-	108,666	-	-	108,666
Increase (decrease) in accounts payable	47,648	(27,370)	118,142	159,058	297,478
Increase (decrease) in accrued liabilities	(679)	-	-	-	(679)
Increase (decrease) in compensated absences	10,700	-	-	-	10,700
Increase (decrease) in claims and judgments	-	-	17,801	-	17,801
Increase (decrease) in pension and related items	(96,918)	-	-	-	(96,918)
Increase (decrease) in OPEB and related items	(10,722)	-	-	-	(10,722)
Total adjustments	(84,771)	43,673	(12,912)	159,058	$ 105,048
Net cash provided by (used for) operating activities	$ (188,722)	$ (987,112)	$ 171,766	$ 1,534,140	$ 530,072

CITY OF LODI, CALIFORNIA
Combining Statement of Fiduciary Net Position
Fiduciary Funds - Custodial Funds
June 30, 2025

	Library	Hutchins St Sq/Holz	Total Custodial Funds
ASSETS			
Cash and investments	$ 183,803	$ 1,805	$ 185,608
Interest receivable	-	4	4
Total assets	**183,803**	**1,809**	**185,612**
NET POSITION			
Restricted for organizations	183,803	1,809	185,612
Total net position	**$ 183,803**	**$ 1,809**	**$ 185,612**

CITY OF LODI, CALIFORNIA
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds - Custodial Funds
For the Year Ended June 30, 2025

	Library	Hutchins St Sq/Holz	Total Custodial Funds
ADDITIONS			
Investment Earnings	$ 15,185	$ 82	$ 15,267
Miscellaneous revenue	305	-	305
Total additions	**15,490**	**82**	**15,572**
DEDUCTIONS			
Library	90	-	90
Total deductions	**90**	**-**	**90**
Net increase (decrease) in fiduciary net position	**15,400**	**82**	**15,482**
Net position-beginning	168,403	1,727	170,130
Net position-ending	**$ 183,803**	**$ 1,809**	**$ 185,612**

STATISTICAL SECTION

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STATISTICAL SECTION

The Statistical Section provides detailed information as a framework for understanding the information in the financial statements, notes and required supplementary information. This section presents additional data and analysis that may provide the reader with valuable insight regarding the demographics and the overall health of the City.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being has changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the City's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the city provides and the activities it performs.

Sources

Unless otherwise noted, the information in these schedules are derived from the annual comprehensive financial report.

Net Position by Component
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2025	**2024**	**2023**	**2022**	**2021**
Governmental activities:					
Net investment in capital assets	$155,808	$145,991	$135,018	$111,961	$120,763
Restricted	68,366	48,310	43,708	42,297	37,505
Unrestricted	(62,990)	(49,100)	(63,699)	(56,728)	(84,870)
Total governmental activities net position	161,184	145,201	115,027	97,530	73,398
Business-type activities:					
Net investment in capital assets	172,270	180,170	167,026	159,768	137,219
Restricted	5,144	7,191	6,387	6,077	18,860
Unrestricted	118,949	97,271	91,110	64,957	55,534
Total business-type activities net position	296,363	284,632	264,523	230,802	211,613
Primary government:					
Net investment in capital assets	328,078	326,161	302,044	271,729	257,982
Restricted	73,510	55,501	50,095	48,374	56,365
Unrestricted	55,959	48,171	27,411	8,229	(29,336)
Total primary government net position	$457,547	$429,833	$379,550	$328,332	$285,011

(1) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68.

(2) Fiscal year 2018 beginning net position was restated due to the implementation of GASB 75.

(3) Fiscal year 2025 beginning net position was restated due to the implementation of GASB 101.

Source: City of Lodi Financial Services Division

Fiscal Year				
2020	2019	2018 (2)	2017	2016
$117,010	$116,179	$119,222	$117,196	$111,256
33,230	25,751	25,904	15,545	13,911
(107,255)	(115,043)	(117,535)	(77,162)	(76,984)
42,985	26,887	27,591	55,579	48,183
137,468	135,175	137,291	129,086	121,468
19,594	7,230	20	3,929	3,893
28,164	35,812	24,584	16,463	14,427
185,226	178,217	161,895	149,478	139,788
254,478	251,354	256,513	246,282	232,724
52,824	32,981	25,924	19,474	17,804
(79,091)	(79,231)	(92,951)	(60,699)	(62,557)
$228,211	$205,104	$189,486	$205,057	$187,971

Changes in Net Position
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year				
	2025	2024	2023	2022	2021
Expenses					
Governmental activities:					
General government	$13,193	$15,091	$12,778	$14,493	$25,410
Public protection	53,339	39,806	40,585	41,534	34,716
Public works	7,944	11,775	13,666	11,800	12,387
Community development	7,857	3,456	3,200	2,654	1,752
Library	1,703	1,622	1,718	1,448	1,052
Parks and recreation	7,576	4,832	5,097	4,318	3,379
Interest and fiscal charges	1,103	1,984	1,068	15,889	656
Total governmental activities expenses	92,715	78,566	78,112	92,136	79,352
Business-type activities:					
Electric	88,569	84,988	86,604	74,001	68,307
Wastewater	19,661	15,352	15,875	11,624	11,683
Water	12,172	13,164	16,814	12,646	8,142
Transit	5,889	5,555	5,678	4,904	4,335
Total business-type activities expenses	126,291	119,059	124,971	103,175	92,467
Total primary government expenses	219,006	197,625	203,083	195,311	171,819
Program Revenues					
Governmental activities:					
Charges for services:					
General government	4,037	10,211	6,510	2,056	2,119
Public protection	553	1,066	940	1,245	1,065
Public works	5,961	813	494	1,051	1,484
Community development	4,359	3,774	2,425	4,175	4,086
Library	110	5	19	12	-
Parks and recreation	1,406	1,625	1,946	1,868	1,176
Operating grants and contributions	5,415	6,253	6,417	4,872	4,582
Capital grants and contributions	2,845	10,711	9,064	15,834	8,418
Total governmental activities program revenues	24,686	34,458	27,815	31,113	22,930
Business-type activities:					
Charges for services:					
Electric	92,508	89,721	87,970	80,343	74,197
Wastewater	18,578	18,221	17,557	17,145	16,781
Water	15,170	14,888	38,346	14,187	14,112
Transit	106	321	361	264	70
Operating grants and contributions	2,100	11,358	7,160	8,443	6,866
Capital grants and contributions	281	2,888	10,578	8,683	5,145
Total business-type activities program revenues	128,743	137,397	161,972	129,065	117,171
Total primary government program revenues	153,429	171,855	189,787	160,178	140,101
Net (Expense)/Revenue					
Governmental activities	(68,029)	(44,108)	(50,298)	(61,023)	(56,422)
Business-type activities	2,452	18,337	37,001	25,890	24,704
Total primary government net expense	$(65,577)	$(25,771)	$(13,297)	$(35,133)	$(31,718)

Fiscal Year				
2020	2019	2018	2017	2016
$13,156	$11,390	$11,601	$9,650	$10,369
35,764	33,396	38,795	33,239	31,395
9,336	10,986	9,823	10,614	10,326
2,056	2,187	1,999	1,709	1,792
1,882	785	1,753	1,253	1,389
3,873	4,142	4,672	3,663	4,262
712	782	768	824	822
66,779	63,668	69,411	60,952	60,355
71,758	64,104	67,943	62,791	61,764
18,049	14,410	16,008	16,318	14,024
14,514	12,138	11,776	11,961	10,967
4,841	5,086	5,233	4,925	4,415
109,162	95,738	100,960	95,995	91,170
175,941	159,406	170,371	156,947	151,525
3,240	323	3,670	3,246	1,490
619	619	1,000	779	740
1,302	2,631	990	1,209	734
2,805	1,059	2,665	2,838	2,292
38	-	37	43	63
1,551	1,286	1,698	1,660	1,637
3,426	7,968	2,287	2,391	2,596
10,302	6,861	8,737	12,830	10,559
23,283	20,747	21,084	24,996	20,111
72,182	67,961	69,247	65,848	67,507
16,097	15,904	14,914	15,106	14,960
14,192	13,345	13,005	12,474	12,161
126	216	227	220	210
7,034	8,261	5,969	4,514	5,089
2,894	2,092	11,307	7,972	2,860
112,525	107,779	114,669	106,134	102,787
135,808	128,526	135,753	131,130	122,898
(43,496)	(42,919)	(48,327)	(35,956)	(40,244)
3,363	12,041	13,709	10,139	11,617
$(40,133)	$(30,878)	$(34,618)	$(25,817)	$(28,627)

Changes in Net Position
Last Ten Fiscal Years (Continued)
(Dollar amounts in thousands)

	Fiscal Year				
	2025	2024	2023	2020	2019
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property	$25,028	$15,676	$14,345	$13,681	$12,672
Special assessments1	963	871	702	512	378
Sales1	24,987	25,205	26,152	26,248	24,303
Document transfer1	8,120	7,550	6,999	6,498	6,073
Franchise	3,067	10,556	10,094	9,934	9,582
Business license	349	505	290	2,373	2,092
Transient occupancy	1,599	1,590	1,432	1,485	899
Grants and contributions not restricted to specific proc	-	1,465	1,042	7,885	14,166
Investment earnings	10,766	1,804	(3,760)	(6,303)	1,966
Rent	2,828	2,828	2,828	2,828	1,721
Other	1,309	723	448	15,906	850
Special item-gain on sale of parkland	-	-	-	-	-
Transfers	6,646	5,508	5,369	3,454	4,448
Total governmental activities	85,662	74,281	65,941	84,501	79,150
Business-type activities:					
Investment earnings	8,314	7,072	2,042	(1,498)	2,223
Litigation- environmental lawsuits proceeds	-	-	-	-	-
Rent	-	-	-	-	-
Other	7,934	209	46	(1,749)	3,906
Special item-forgiveness of debt					
Special item-swap termination					
Transfers	(6,646)	(5,508)	(5,369)	(3,454)	(4,448)
Total business-type activities	9,602	1,773	(3,281)	(6,701)	1,681
Total primary government	95,264	76,054	62,660	77,800	80,831
Change in Net Position					
Governmental activities	17,633	30,173	15,643	23,478	22,729
Business-type activities	12,054	20,110	33,720	19,190	26,386
Total primary government	$29,687	$50,283	$49,363	$42,668	$49,115

Source: City of Lodi Financial Services Division

(1) Certain tax amounts have been reclassified in fiscal year 2013.

Fiscal Year				
2018	2017	2016	2015	2014
$11,728	$11,050	$10,325	$9,984	$9,373
252	139	44	-	-
20,084	14,287	11,333	11,749	11,808
5,760	5,399	5,147	4,903	4,572
9,612	9,212	9,218	9,099	9,073
1,884	1,887	1,822	1,736	1,552
988	736	867	849	783
475	441	601	2	-
1,921	1,576	311	257	326
1,693	1,553	-	-	1,954
953	353	933	722	719
-	-	-	-	-
4,270	4,233	4,252	4,051	4,469
59,620	50,866	44,853	43,352	44,629
4,816	1,584	716	816	952
-	-	-	-	100
-	-	-	-	4
3,101	2,321	2,244	2,786	3,957
	-	-	-	-
	-	-	-	-
(4,270)	(4,233)	(4,252)	(4,051)	(4,469)
3,647	(328)	(1,292)	(449)	544
63,267	50,538	43,561	42,903	45,173
16,124	7,696	(3,474)	7,396	4,385
7,010	11,712	12,417	9,690	12,161
$23,134	$19,408	$8,943	$17,086	$16,546

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Reserved	$22,014	$19,636	$16,370	$15,199	$15,641	$12,671	$10,717	$ -	$ -	$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	6	-	83	24	-	-	-	-	-	33
Committed	758	758	613	352	558	712	563	9,031	3,520	465
Assigned	-	-	-	-	-	-	-	-	-	1,564
Unassigned	29,191	24,239	24,876	23,389	24,491	14,520	11,172	9,737	11,448	11,185
Total General Fund	51,969	44,633	41,942	38,964	40,690	27,903	22,452	18,768	14,968	13,247
All other governmental funds										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Debt service funds	-	-	-	-	-	-	-	-	-	-
Capital projects funds	-	-	-	-	-	-	-	-	-	-
Nonspendable	3	2	252	7	2	2	1	1	1	1
Assigned	14,531	20,744	21,493	10,244	9,638	6,744	8,979	-	-	-
Committed	3,079	3,003	2,411	409	914	690	716	-	-	-
Restricted	46,353	42,860	41,911	54,237	21,439	19,629	14,202	16,062	15,263	13,867
Unassigned	(631)	-	636	-	-	-	-	-	-	-
Total all other governmental funds	63,335	66,609	66,703	64,897	31,993	27,065	23,898	16,063	15,264	13,868
	$115,304	$111,242	$108,645	$103,861	$72,683	$54,968	$46,350	$34,831	$30,232	$27,115

Source: City of Lodi Financial Services Division

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year									
	2025 (3)	2024 (3)	2023 (3)	2022 (3)	2021 (2)	2020 (1)	2019	2018	2017	2016
Revenues:										
Taxes	$39,127	$36,750	$33,862	$34,483	$31,698	$30,224	$28,423	$27,423	$26,491	$25,327
Sales and use tax	24,987	25,205	26,152	26,248	24,302	20,084	14,287	-	-	-
Licenses and permits	2,614	2,588	1,581	2,549	2,621	1,774	1,570	1,764	2,015	1,646
Intergovernmental revenues	12,037	21,383	13,888	20,440	22,657	10,499	9,213	20,807	23,975	21,083
Charges for services	5,846	6,100	4,703	7,212	10,056	8,333	6,558	6,020	5,722	5,830
Developer impact fees	2,580	1,868	1,376	2,592	-	-	-	-	-	-
Fines, forfeits, and penalties	330	1,303	731	304	217	1,053	1,274	1,396	906	1,495
Investment and rental income	12,107	11,660	4,772	(1,124)	5,193	4,728	2,994	2,325	2,319	2,155
Contributions and donations	-	-	-	-	-	-	-	-	818	-
Miscellaneous revenue	1,550	780	287	573	1,290	845	812	1,206	-	1,116
Total revenues	101,178	107,637	87,352	93,277	98,034	77,540	65,131	60,941	62,246	58,652
Expenditures:										
Current:										
General government	16,057	15,664	14,513	16,490	25,847	13,019	9,609	9,738	9,499	9,360
Public protection	48,338	47,037	46,238	41,165	38,110	37,410	31,949	30,788	30,201	28,821
Public works	4,700	8,081	8,367	6,832	6,555	5,436	5,452	4,628	4,608	4,070
Community development	6,481	3,548	3,261	2,699	2,127	2,249	2,112	1,756	1,651	1,601
Library	1,599	1,495	1,442	1,214	1,024	1,181	1,166	1,058	1,153	1,153
Parks and recreation	7,303	3,788	3,811	3,145	2,827	2,764	2,680	2,497	2,378	2,369
Capital outlay	16,901	28,261	9,945	7,843	6,843	4,679	3,380	8,296	11,592	13,117
Debt service:										
Interest	1,072	1,157	1,018	665	696	732	821	805	858	847
Principal payments	(11,953)	(12,025)	(12,545)	1,115	1,144	1,106	1,080	1,028	1,240	260
Advance refunding escrow	13,302	13,302	13,302	13,302	-	-	-	-	-	-
Total expenditures	103,800	110,308	89,352	94,470	85,173	68,576	58,249	60,594	63,180	61,598
Excess (deficiency) of revenues over (under) expenditures	(2,622)	(2,671)	(2,000)	(1,193)	12,861	8,964	6,882	347	(934)	(2,946)
Other financing sources (uses):										
Transfers in	22,234	25,299	13,343	25,209	10,788	10,735	13,201	13,863	11,723	13,310
Transfers out	(15,578)	(20,091)	(7,974)	(21,755)	(6,340)	(6,464)	(8,968)	(9,611)	(7,672)	(8,716)
Proceeds from sale	16	8	8	1	28	-	404	-	-	-
Refunding bonds issued	-	-	-	28,884	-	-	-	-	-	-
Lease liabilities issued	-	52	(445)	34	-	-	-	-	-	-
Subscription liabilities issued	11	-	-	-	-	-	-	-	-	-
Finance purchse agreement proceeds	-	-	-	-	-	-	-	-	-	563
Loan proceeds	-	-	-	-	-	-	-	-	-	468
Total other financing sources (uses)	6,683	5,268	4,932	32,373	4,476	4,271	4,637	4,252	4,051	5,625
Net change in fund balances	4,061	2,597	2,932	31,180	17,337	13,235	11,520	4,599	3,117	2,679
Fund balances, beginning of year (1)	111,242	108,645	106,793	72,681	55,344	41,733	34,831	30,232	2,963	284
Fund balances, end of year	$115,303	$111,242	$109,725	$103,861	$72,681	$54,968	$46,351	$34,831	$6,080	$2,963
Debt service as a percentage of noncapital expenditures	2.9%	3.1%	2.3%	21.1%	2.3%	2.9%	3.5%	3.5%	4.1%	2.3%

(1)The beginning of year fund balance change was due to a reclassification of the Vehicle and Equipment Fund to an Internal Service Fund.

(2) The beginning of year fund balance change was due to a reclassification of the Special Assessments Fund to a Special Revenue Fund.

(3) Developer impact fees shown as its own revenue category

Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year										
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	% Change 2014 to 2023
Property	$17,673	$16,548	$15,046	$14,193	$13,050	$11,980	$11,050	$10,043	$9,744	$9,151	30.08%
Sales and Use	24,986	25,205	26,152	26,248	24,302	20,084	14,286	11,333	11,750	11,809	116.05%
Transient Occupancy	1,599	1,590	1,432	1,485	899	987	735	867	849	783	149.24%
Franchise	3,067	2,920	2,530	2,501	2,207	2,338	2,128	2,059	1,915	1,990	139.55%
Documentary Transfer	230	117	50	81	86	(25)	230	281	240	223	-120.00%
Motor Vehicle in Lieu	8,120	7,550	6,999	6,498	6,073	5,760	5,399	5,176	4,904	4,572	20.08%
Public Protection	837	822	858	704	527	462	441	401	378	365	36.69%
Business License	349	505	290	2,373	2,092	1,884	1,887	1,822	1,736	1,552	65.26%
In Lieu Franchise	7,252	7,636	7,564	7,433	7,375	7,274	7,197	7,159	7,131	7,082	-13.01%
Totals	$64,113	$62,893	$60,921	$61,516	$56,611	$50,744	$43,353	$39,141	$38,647	$37,527	46%

Note: General governmental tax revenues are included in taxes, licenses and permits, intergovernmental revenues and miscellaneous revenues.

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019 (2)**	**2018 (2)**	**2017**	**2016**
Secured roll	$9,139,002	$8,483,328	$7,962,674	$7,425,099	$6,962,679	$6,566,183	$6,174,155	$5,903,144	$5,603,023	$5,394,659
Utility roll	2,432	2,047	2,047	2,046	2,047	1,901	2,299	2,299	2,299	3,490
Unsecured roll	384,828	817,234	280,982	232,613	231,423	247,608	258,682	266,956	254,946	250,160
Gross assessed value	9,526,262	9,302,609	8,245,703	7,659,758	7,196,149	6,815,692	6,435,136	6,172,399	5,860,268	5,648,309
Less exemptions (1)	401,566	362,966	362,966	364,661	353,561	338,170	345,178	339,542	334,485	331,562
Net assessed value	$9,124,696	$8,939,643	$7,882,737	$7,295,097	$6,842,588	$6,477,522	$6,089,958	$5,832,857	$5,525,783	$5,316,747
Land	$2,579,409	$2,286,349	$2,286,349	$2,144,590	$2,077,223	$1,971,712	$1,873,216	$1,812,408	$1,711,208	$1,601,581
Improvements	6,531,389	5,652,441	5,652,441	5,282,139	4,894,256	4,614,260	4,286,480	4,042,264	3,854,604	3,736,867
Personal property	415,463	306,913	306,913	233,029	224,670	229,720	275,440	317,727	294,457	309,861
Gross assessed value	9,526,261	8,245,703	8,245,703	7,659,758	7,196,149	6,815,692	6,435,136	6,172,399	5,860,269	5,648,309
Less exemptions (1)	401,566	362,966	362,966	364,661	353,561	338,170	345,178	339,542	334,485	331,562
Net assessed value	$9,124,695	$7,882,737	$7,882,737	$7,295,097	$6,842,588	$6,477,522	$6,089,958	$5,832,857	$5,525,784	$5,316,747
Total Direct Tax Rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

(1) All exemptions (secured, utility, and unsecured rolls) are homeowners exemption $58,136 and other exemption of $306,525 = $401,566

Note: In 1978, the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed.

Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only assessed at the time that it is sold to a new owner. At that point, the property being sold is reassessed at the purchase price. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(2) 2019 & 2018 figures updated per San Joaquin County amounts

Source: San Joaquin County Auditor-Controller's Office

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Rate per $100 of assessed value)

Fiscal Year	Basic Countywide Levy	School	All Other	Total
2025	1.0000	0.0594	0.0122	1.0716
2024	1.0000	0.0669	0.0135	1.0804
2023	1.0000	0.0632	0.0144	1.0574
2022	1.0000	0.1028	0.0163	1.1191
2021	1.0000	0.0829	0.0183	1.1012
2020	1.0000	0.0806	0.0199	1.1005
2019	1.0000	0.0843	0.0225	1.1068
2018	1.0000	0.0857	0.0180	1.1037
2017	1.0000	0.0371	0.0180	1.0551
2016	1.0000	0.0401	0.0198	1.0599

Source: San Joaquin County Auditor data, MuniServices, LLC / Avenue Insights & Analytics

Table has been reformatted to comply with GASB No. 44.
TRA represented: 1-001.

(1) Amounts restated based on new assessed value information provided.

Principal Property Taxpayers
Current Year and Nine Years Ago
(Dollar amounts in thousands)

	Fiscal Year					
			2025			2016
	Taxable		Percent of Total City Taxable	Taxable		Percent of Total City Taxable
	Assessed		Assessed	Assessed		Assessed
Taxpayer	Value	Rank	Value	Value	Rank	Value
Pacific Coast Producers	138,083	1	1.579%	$111,812	1	2.18%
Cepheid	90,462	2	1.034%	1,537	6	0.030%
Constellation Brands US Operations, Inc.	54,101	3	0.619%	-	-	-
Stag CA Holdings LP	47,330	4	0.541%	-	-	-
Lodi LV Loca	44,532	5	0.509%	-	-	-
Rich Products Corp.	42,426	6	0.485%	-	-	-
Big Box Properties Owner E LLC	41,955	7	0.480%	26,417	5	0.514%
BDC Lodi III LP	37,076	8	0.424%	-	-	-
Cal Purnia Associates LP	37,039	9	0.423%	-	-	-
Reynolds Ranch SR Development Company LP	36,791	10	0.421%	-	-	-
RRM Enterprise	-	-	-	87,651	2	1.71%
California Physicians Service Corp	-	-	-	57,476	3	1.12%
ConAgra Cottage Bakery	-	-	-	41,022	4	0.80%
Costco	-	-	-	19,793	7	0.39%
Archer Daniels Midland Co Corp.	-	-	-	18,912	8	0.37%
Sandpiper Pennebaker Group LLC	-	-	-	18,683	9	0.36%
Geweke	-	-	-	17,615	10	0.34%
	-	-	-	-	-	0.00%
Principal Secured Property Valuation	569,795	-	6.515	400,918	-	7.81%
Other Secured Taxpayers	8,513,050	-	97.335	4,733,708	-	92.192
Exemptions relative to secured tax roll	336,666	-	3.849	-	-	-
Total Secured Property Valuation	$8,746,179	-	100.000%	$5,134,626	-	100.000%

Source: San Joaquin County Assessor data, MuniServices, LLC / Avenue Insights & Analytics

Property Tax Levies and Collections
Last Ten Fiscal Years
(Dollar amounts in thousands)

		Collected Within the Fiscal Year of the Levy		Total Collections to Date	
Fiscal Year	Taxes Levied for the Fiscal Year	Amount	Percent of Levy (1)	Amount	Percent of Levy
2025	$14,157	$14,157	100.0%	$14,157	100.0%
2024	13,219	13,219	100.0%	13,219	100.0%
2023	13,999	13,999	100.0%	13,999	100.0%
2022	13,679	13,679	100.0%	13,679	100.0%
2021	12,526	12,526	100.0%	12,526	100.0%
2020	11,642	11,642	100.0%	11,642	100.0%
2019	10,883	10,883	100.0%	10,883	100.0%
2018	10,222	10,222	100.0%	10,222	100.0%
2017	9,821	9,821	100.0%	9,821	100.0%
2016	9,117	9,117	100.0%	9,117	100.0%

(1) Per agreement with San Joaquin County, the County provides the City of Lodi with 100% of the amount owed to the City for secured properties, regardless of collection status. In exchange, the County is entitled to 100% of revenues collected for interest and penalties. This agreement is commonly referred to as the Teeter Plan.

Source: San Joaquin County Auditor/Controller's Office

Electricity Sold by Type of Customer
Last Ten Fiscal Years

	Billed Accounts									
Type of Customer	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**
City Accounts	273	343	346	258	325	231	248	223	217	213
Domestic Residential	29,224	24,872	23,442	26,237	24,675	23,234	22,228	22,041	21,917	22,497
Domestic Mobile Home Park	13	13	13	13	13	13	13	13	13	13
Dusk to Dawn	154	88	155	87	90	89	91	92	85	85
Industrial	-	-	-	-	-	-	-	43	-	-
Large Commercial	477	362	365	471	402	394	383	96	355	348
Large Industrial (1)	18	19	16	18	16	38	69	55	35	44
Medium Commercial	-	-	-	-	-	-	-	375	-	-
Medium Industrial	12	6	8	6	11	23	14	10	10	11
Residential Low Income	1,008	1,220	3,599	2,043	2,725	2,248	2,796	2,539	2,669	2,688
Small Commercial	3,549	3,034	3,576	3,589	3,619	3,254	2,795	3,148	3,434	3,416
Small Industrial (2)	37	6	8	6	6	7	11	11	10	11
Total	34,765	29,963	31,528	32,728	31,882	29,531	28,648	28,646	28,745	29,326

Notes:

"Large commercial" previously had medium commercial combined now "Medium Commercial" stated separately.
Small, Medium, Large Industrial now combined into one "Industrial".

Source: City of Lodi Financial Services Division
Intranet Dashboard Stats Util by Month and Sch

(1) Large Industrial for 2018 reported as N/A in 2018 - correct number is 55.
(2) Small Industrial for 2018 reported as N/A in 2018 - correct number is 11.

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollar amounts in thousands, except per capita)

	Governmental Activities					Business-type Activities					
Fiscal Year	Lease Revenue Bonds	Loan Payable	Notes Payable	Finance Purhase Agreement	Total Governmental Activities	Certificates of Participation and Revenue Bonds	Notes/ Loan Payable	Total Business-type Activities	Total Primary Government	Percent of Personal Income (1)	Per Capita (1)
2025	$26,824	$ -	$ -	$ -	$ 26,824	$82,196	$ -	$ 82,196	$ 109,020	3.05	$1,616
2024	26,935	-	-	-	26,935	89,486	-	89,486	116,421	0.40	1,750
2023	27,590	-	-	-	27,590	96,073	-	104,426	132,016	0.04	1,993
2022	28,880	-	-	85	28,965	102,530	229	102,759	131,724	0.04	1,979
2021	14,882	-	-	169	15,051	108,741	454	109,195	124,246	4.15	1,807
2020	15,901	97	-	251	16,249	114,866	673	115,539	131,788	4.81	1,940
2019	16,885	193	-	331	17,409	121,566	887	122,453	139,862	5.03	2,049
2018	17,839	286	-	410	18,535	125,062	1,096	126,158	144,693	5.56	2,156
2017	18,753	378	-	487	19,618	138,193	1,300	139,493	159,111	6.41	2,484
2016	$ 19,637	$ 468	$ 245	$ 562	$ 20,912	$ 143,417	$ 1,500	$ 144,917	$ 165,829	7.49	$ 2,603

Details regarding the City's outstanding debt can be found in Note 7 of these financial statements.

(1) See Demographic and Economic Statistics table for personal income and population.

Source: City of Lodi Financial Services Division

Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollar amounts in thousands, except per capita)

Fiscal Year	Lease Revenue Bonds	Less Amounts Available for Debt Service	Net	Percent of Assessed Value (1) of Property	Per Capita
2025	$ 26,824	$ -	$ 26,824	0.4	$ 391.32
2024	26,935	-	26,935	0.4	405.09
2023	27,590	-	27,590	0.4	416.18
2022	28,880	-	28,880	0.1	420.07
2021	14,882	-	14,882	0.2	219.08
2020	15,901	-	15,901	4.4	232.91
2019	16,885	-	16,885	0.2	251.56
2018	17,839	-	17,839	0.3	278.48
2017	18,753	-	18,753	0.4	296.64
2016	$ 19,637	$ -	$ 19,637	0.4	$ 308.18

General bonded debt is debt payable with governmental fund resources and general obligation bonds

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of Lodi Financial Services Division

Legal Debt Margin Information
Last Ten Fiscal Years
(Dollar amounts in thousands)

	Fiscal Year									
	2025	**2024**	**2023**	**2022**	**2021**	**2020**	**2019 (2)**	**2018 (2)**	**2017**	**2016**
Assessed valuation (1)	$ 9,124,696	$ 8,499,001	$ 7,883,053	$ 7,353,234	$ 6,900,923	$ 5,891,914	$ 5,584,838	$ 5,375,564	$ 5,585,242	$ 5,377,266
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,281,174	2,124,750	1,970,763	1,838,309	1,725,231	1,472,979	1,396,210	1,343,891	1,396,311	1,344,317
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt Limit	342,176	318,713	295,614	275,746	258,785	220,947	209,431	201,584	209,447	201,647
Total net debt applicable to limit	26,824	26,935	27,590	28,880	14,882	15,901	16,885	17,839	18,753	19,637
Legal debt margin	$ 315,352	$ 291,778	$ 268,024	$ 246,866	$ 243,903	$ 205,046	$ 192,546	$ 183,745	$ 190,694	$ 182,010
Total net debt applicable to the limit as a percent of debt limit	7.8%	8.5%	9.3%	10.5%	5.8%	7.2%	8.1%	8.8%	9.0%	9.7%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1982 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computation shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time the legal debt margin was enacted by the State of California for local governments located within the state.

(1) All exemptions (secured, utility, and unsecured rolls) are homeowners which is added to Net Assessed Value

(2) 2019 & 2018 figures updated per San Joaquin County amounts

Source: California Municipal Statistics Inc.

Direct and Overlapping Governmental Activities Debt
June 30, 2025

		Total Debt	Percentage Applicable (1)	City's Share of Debt
OVERLAPPING DEBT:				
San Joaquin Community College District		$ 162,660,000	7.295 %	$ 11,866,047
Lodi Unified School District		269,035,000	37.251	100,218,228
San Joaquin County Certificates of Participation		49,210,000	7.889	3,882,177
Lodi Unified School District Certificates of Participation		7,060,000	37.251	2,629,921
SUBTOTAL OVERLAPPING DEBT				118,596,372
DIRECT DEBT:				
City of Lodi Lease Revenue Bonds		26,255,000	100.00	26,255,000
City of Lodi - Finance Purchase Agreement		-	100.00	-
SUBTOTAL DIRECT DEBT				26,255,000
TOTAL DIRECT AND OVERLAPPING DEBT(2)				$ 144,851,372
2024-25 Gross Assessed Valuation	$ 9,526,262			
2024-25 Population	67,093			
			Per Capita	**Value**
DEBT RATIOS	Total Gross Debt	$ 144,851,372	2,159	2.20%

(1) Percent of overlapping agency's assessed valuation located within the boundaries of the City.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded finance purhcase agreement obligations.

SOURCE: California Municipal Statistics, San Francisco, CA
San Joaquin County Auditors-Controller Office
State of California, Department of Finance, Demographic Research Unit

Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollar amounts in thousands)

Fiscal Year	Adjusted Annual Revenues (1)	Adjusted Operating Expenses (2)	Net Available Revenue	Debt Service			Coverage
				Principal	Interest (3)	Total	
Electric Revenue Certificates of Participation							
2025	$ 92,302	$ 79,929	$ 12,373	$ 2,605	$ 1,575	$ 4,180	2.96
2024	92,302	79,929	12,373	2,605	1,575	4,180	2.96
2023	89,792	77,935	11,857	2,485	702	3,187	2.83
2022	81,327	62,414	18,913	2,365	1,823	4,188	4.52
2021	77,896	58,841	19,055	2,250	1,938	4,188	4.55
2020	76,445	64,558	11,887	1,710	3,747	5,457	2.18
2019	69,846	58,916	10,930	-	1,497	1,497	7.30
2018	73,505	50,317	23,188	2,510	2,788	5,298	4.38
2017	67,815	52,259	15,556	2,390	2,898	5,288	2.94
2016	70,440	51,205	19,235	5,195	3,094	8,289	2.32
Wastewater Certificates of Participation and Revenue Bonds							
2025	$ 21,039	$ 11,806	$ 9,233	$ 2,157	$ 1,168	$ 3,325	2.78
2024	21,039	11,806	9,233	2,157	1,168	3,325	2.78
2023	19,088	8,373	10,715	2,056	1,125	3,181	3.37
2022	19,127	5,236	13,891	1,971	1,359	3,330	4.17
2021	17,949	6,001	11,948	1,899	1,434	3,333	3.58
2020	19,441	10,119	9,322	1,819	1,506	3,325	2.80
2019	17,864	8,301	9,563	1,753	1,573	3,326	2.88
2018	19,317	7,302	12,015	1,650	954	2,604	4.61
2017	16,707	10,128	6,579	1,575	1,492	3,067	2.15
2016	16,941	7,237	9,704	1,535	2,131	3,666	2.65
Water Revenue Bonds							
2025	$ 18,005	$ 9,695	$ 8,310	$ 1,005	$ 921	$ 1,926	4.31
2025	18,005	9,695	8,310	1,005	921	1,926	4.31
2023	39,221	11,249	27,972	960	1,930	2,890	14.49
2022	14,915	9,226	5,689	930	997	1,927	2.95
2021 (4)	16,642	4,932	11,710	1,040	1,033	2,073	5.65
2020	17,061	11,316	5,745	1,010	1,422	2,432	2.36
2019	15,509	7,173	8,336	980	1,368	2,348	3.55
2018	17,187	10,895	6,292	950	1,356	2,306	2.73
2017	13,844	7,733	6,111	915	1,393	2,308	2.65
2016	13,025	6,801	6,224	870	1,482	2,352	2.65

Includes all nongeneral obligation long-term debt backed by pledged revenues.

Details regarding the City's outstanding debt can be found in Note 8 to the basic financial statements.

(1) Total operating revenues including investment earnings, operating grants, capital contributions (including developer impact fees) and other revenue.

(2) Total operating expenses including cost of services paid to the General Fund and excluding in-lieu fees, depreciation and amortization.

(3) Net of Build America Bonds interest subsidy - Water Revenue Bonds.

(4) Adjusted Annual Revenues restated for correction to developer impact fees.

Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Square Miles	City Population	Population Percent Change	San Joaquin County Population	Population Percent of County	Rank in Size of California Cities	Personal Income (millions of dollars)	Per Capita Personal Income	Unemployment Rate
2025	13.98	67,093	0.1%	805,856	8.3%	132	$ 3,561	$ 59,361	5.6%
2024	13.98	66,492	3.0%	791,408	8.4%	135	3,620	54,442	5.5%
2023	13.98	66,293	(0.4%)	786,145	8.4%	135	3,065	48,662	4.1%
2022	13.98	66,570	(3.2%)	784,298	8.5%	136	3,328	49,991	3.7%
2021	13.98	68,751	1.2%	783,534	8.8%	131	2,992	43,523	10.0%
2020	13.98	67,930	0.5%	773,632	8.8%	133	2,739	40,322	14.4%
2019	13.98	68,272	0.8%	770,385	8.9%	134	2,779	40,707	6.1%
2018	13.98	67,121	0.7%	758,744	8.8%	136	2,602	38,769	6.9%
2017	13.98	64,058	0.7%	746,868	8.6%	139	2,483	38,769	6.9%
2016	13.98	63,219	0.7%	733,383	8.6%	139	2,284	36,136	7.8%

The California Department of Finance demographics estimates now incorporate 2010 Census counts as the benchmark

1.) Population Projections are provided by the California Department of Finance Projections.

2.) Income Data is provided by the U.S. Census Bureau, 2010 American Community Survey.

3.) Unemployment Data is provided by the EDD's Bureau of Labor Statistics Department.

Principal Employers
Current Year and Nine Years Ago

	Current			Nine Years Ago			
Employer	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment	Labor Force
Pacific Coast Producers	1,486	1	4.82%	1,000	3	3.83%	28,700
Lodi Unified School District	1,363	2	4.43%	3,650	1	13.97%	28,700
Adventist Health Lodi Memorial *	1,242	3	4.03%	1,320	2	5.05%	28,700
Blue Shield of CA	1,084	4	3.52%	778	4	2.98%	28,700
Walmart Supercenter	403	5	1.31%	230	8	0.88%	28,700
City of Lodi	395	6	1.28%	377	7	1.44%	28,700
Rich Products formerly known as Cottage Bakery	276	7	0.90%	509	5	1.95%	28,700
Costco Wholesale	278	8	0.90%	-		-	28,700
Scientific Specialties Inc.	215	9	0.70%	-		-	28,700
Arbor Rehabilitation & Nursing Center	210	10	0.68%	-		-	28,700
General Mills (1)	-		-	435	6	1.67%	28,700
Farmers & Merchant Bank	-		-	190	9	0.73%	28,700
Target	-		-	160	10	0.61%	28,700
	-		-	-			
	-		-	-			
Total	6,952		22.57%	8,649		33.11%	

Note: Principal employers are based on the best available information.

Source: MuniServices, LLC / an Avenu Insights & Analytics Company
Results based on direct correspondence with city's local businesses.
* Count includes FTE, PTE, Temporary & Seasonal Employees.
(1) General Mills permanently closed.

Full-time Equivalent City Government Employees
by Department - Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Department:										
Administration	15	13	12	12	12	9	9	9	10	10
Community Development	20	20	20	20	13	11	11	11	11	11
Electric	57	56	54	54	52	52	52	52	51	49
Financial Services	-	-	-	-	-	-	-	-	-	-
Fire	57	57	57	57	57	57	53	53	54	54
Internal Services	36	37	37	36	35	34	31	31	32	31
Library	8	8	8	8	8	8	7	7	7	10
Parks and Recreation	-	-	-	-	-	-	-	-	-	-
Parks, Recreation and Cultural Services	27	27	27	27	24	24	24	24	24	26
Police	114	114	112	112	111	109	103	103	103	102
Public Works	128	119	116	116	109	103	101	101	101	100
Total	461	450	442	442	421	407	391	391	393	393

Community Center, Human Resources and Information Systems were previously included in Administration. Budget, Financial Services, Human Resources and Information Services are now Internal Services.
Community Center, Parks & Recreation are now Parks, Recreation and Cultural Services.

Source: City of Lodi Budget Document Staffing Summary

Operating Indicators by Function/Program/Department
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Building permits issued	2,384	2,474	2,518	3,569	3,017	2,500	2,502	2,699	2,447	2,482
Business tax certificates:										
Retail sales and service	1,709	1,082	2,000	3,515	3,008	2,755	3,014	2,137	2,443	2,288
Manufacturers and processors	105	80	50	59	167	81	87	75	76	78
Professions	243	415	240	283	328	315	330	294	308	316
delivery vehicles, etc.	1,547	801	763	264	1,464	1,518	1,986	1,232	949	1,268
Utility billing/customer service:										
Number of customers	33,669	28,215	27,935	27,747	25,166	24,764	24,576	24,259	26,018	26,034
Energy sales (KWH)	458,245,579	442,426,959	447,304,474	450,539,324	439,083,721	417,003,511	410,566,814	425,157,874	425,410,574	437,246,335
Peak demand (MW)	137.90	132.70	143	125.4	133	126	118	131	129	124
Public safety:										
Police:										
Major reported crimes	1,795	1,647	1,974	1,631	1,643	1,938	1,943	2,062	2,025	3,068
Total arrests	3,087	3,223	3,031	3,078	3,432	3,792	3,611	3,460	4,226	4,083
Dispatched calls for service	42,483	48,746	51,207	43,357	34,046	36,053	37,806	37,301	37,866	40,390
Fire:										
Interior structure fire calls	80	65	114	136	130	133	70	56	51	33
Non-structural fire calls	266	177	207	236	192	188	255	235	177	154
Hazardous materials calls	97	100	113	95	78	64	87	55	90	73
Emergency medical calls	5,000	5,000	4,658	4,218	3,866	3,557	3,915	5,364	3,572	3,123
Total emergency calls	8,208	5,348	7,865	7,647	7,206	7,211	7,600	6,996	5,869	5,238
Total number of units dispatched	9,941	9,697	7,490	6,946	7,629	8,317	7,701	8,230	7,225	7,430
Public works:										
Miles of streets resurfaced	1	4	-	7	7	6.6	3	-	6	6
Fleet job orders completed	4,288	1,906	2,047	2,303	2,147	2,106	1,866	1,744	2,129	2,162
Trees planted	25	332	150	65	245	657	500	372	135	135
Water utility:										
New connections	136	210	348	249	227	189	290	180	205	69
Water main breaks	6	2	3	2	6	5	1	2	2	3
Wastewater utility:										
Average daily treatment (million gal/day)	4.42MG	4.47MG	4.57MG	4.50MG	4.50MG	4.55MG	4.6MG	4.5MG	4.65MG	4.6MG
Library:										
Registered borrowers	34,430	34,148	30,904	27,857	54,263	64,864	67,334	63,631	64,742	60,362
Circulation of library materials	181,253	100,235	83,233	86,509	35,528	134,950	168,793	162,796	187,853	199,096
questions answered	2876	4755	3,338	1,818	2,495	8,024	11,296	9,852	9,695	11,109
Annual attendance at libraries	90,060	89,493	76,623	50,318	67,892	172,631	231,391	225558	231,602	245,936
Number of programs offered	368	660	214	197	265	653	715	789	764	456
Annual attendance at programs	12366	16792	11,400	2,305	4,168	14,863	18,825	24,682	23,960	15,452
Public access computer usage	11,394	6,979	-	27,000	12,376	24,033	27,603	25,825	31,205	34,071
Community center:										
Community center bookings	423	557	1,616	365	307	501	809	595	597	758
Instructional classes	219	296	393	406	59	481	616	438	554	518
Registered students	960	879	1,170	584	157	1,172	2,546	2,695	3,010	2,744
Yearly attendance	70,000	46,648	66,804	11,270	2,663	9,521	14,220	11,011	13,925	13,925
Parks and recreation:										
CITY after school program	27/1	56/4	2680/4	202/4	230/5	2,474/4	2,950/4	2,705/4	1,964/4	1,898/4
LUSD After School Program	485/5	288/4	4258/6	960/12	3993/12	9,944/12	9,867/10	12,985/13	13,016/3	12,318/13
Camps	125/3	180/3	522	157/4	284/3	225/3	63	71	103	67
Adult sports										
Program/Participation	1,294	111 teams	937	360	240	1,176	2,045	1,990	1,895	1,976
Programs offered	4	7	15	14	6	6	14	14	14	15
Partnerships	-	1	1	1	-	-	2	2	2	2
Tournaments	9	4	9	-	-	-	7	4	6	8
Youth/Teen sports										
Program attendance	912	490	982	934	128	1,165	3,517	3,480	3,496	3,652
Programs offered	8	5	21	15	2	11	18	11	18	18
Aquatics										
Program attendance	22,721	30,585	22,873	18,691	4,937	18,336	18,202	26,571	28,974	28,195
Number of programs	3	13	13	13	8	13	12	8	14	14

Source: City of Lodi

Capital Assets Statistics by Function/Program/Department
Last Ten Fiscal Years

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Total square miles	13.98	13.98	13.98	13.98	13.98	13.98	13.98	13.98	13.98	13.98
Public safety:										
Police:										
Facilities:										
Stations	1	1	1	1	1	1	1	1	1	1
Animal control facility	1	1	1	1	1	1	1	1	1	1
Police training facility (pistol range)	1	1	1	1	1	1	1	1	1	1
Vehicles:										
Marked patrol cars	25	25	25	26	29	27	21	23	23	23
Motorcycles and scooters	10	10	10	6	5	5	5	6	7	7
Animal control vehicles	2	2	2	2	2	2	2	2	2	2
Other automobiles	31	31	31	35	37	35	36	37	37	37
Fire:										
Facilities:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Vehicles:										
Fire engines	6	7	7	7	8	7	6	6	7	6
Trucks/Trailers	8	7	7	7	5	5	5	5	8	6
Other automobiles	8	8	8	8	8	6	5	8	5	11
Boat	1	1	1	1	1					
Public works:										
Miles of streets	202	198	198	198	198	194	190	190	202	202
Miles of alley ways	12	12	12	12	12	12	12	12	16	16
Traffic signals	72	70	70	70	70	70	69	69	68	67
Street lights	8,405	8,275	8,275	8,304	7,910	7,776	7,739	7,697	7,270	7,270
Parks and recreation:										
Parks and squares	30	30	30	30	29	29	28	28	26	26
Park acreage	375	375	375	375	371	371	367	366	361	361
Boating facilities - launch lanes	1	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	1
Swimming pools	4	4	4	4	4	4	4	4	4	4
Baseball/softball diamonds	18	18	18	18	18	18	20	20	20	20
Tennis courts	9	9	9	9	9	9	11	11	11	11
Pickleball courts	6	6	6	6	6	6	-	-	-	-
Skateboard park	1	1	1	1	1	1	1	1	1	1
Playgrounds	21	21	21	21	22	22	20	17	20	20
Ballpark	24	24	24	24	24	24	24	24	24	24
Soccer Field	22	22	22	22	22	22	22	22	22	22
Football Field	1	1	1	1	1	1	1	1	1	1
Handball/Basketball/Volleyball Courts/Bocce Courts	15	15	15	15	15	15	15	12	12	12
Horseshoe Pits	9	9	9	9	9	9	9	8	8	8
Library:										
Central library	1	1	1	1	1	1	1	1	1	1
Total items in collection	80,470	87,148	87,148	106,729	106,975	108,750	110,000	111,544	125,730	130,657
Integrated library system	1	1	1	1	1	1	1	1	1	1
Microfilm readers	1	1	1	-	-	-	-	-	-	-
Microfilm readers/printers	-	-	-	-	-	-	-	-	1	1
Self check out machines	2	2	2	3	3	3	3	3	3	3
Electric utility:										
Overhead lines 12kv (miles)	117	117	117	117	116.98	117	117	117	117	117
Overhead lines 60kv (miles)	13	14	14	14	14	14	14	14	14	14
Underground lines (miles)	151	144	144	144	138.69	133	129	128	123	121
Water utility:										
Water main lines	260	248	248	251	248	245	245	245	243	240
Water storage capacity (gallons)	5,100,000	5,100,000	5,100,000	5,100,000	5,100,000	4,100,000	4,100,000	4,100,000	4,100,000	4,100,000
Water wells	28	28	28	28	28	28	28	28	28	28
Water reservoirs	4	4	4	4	4	3	3	3	3	3
Water Treatment Plant	1	1	1	1	1	1	1	1	1	1
Wastewater utility:										
Wastewater main lines (miles)	218	203	203	203	205	203	203	203	196	196
Treatment capacity	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5MG	8.5 MG
Wastewater treatment plant	1	1	1	1	1	1	1	1	1	1
Wastewater Pump Stations	13	13	13	13	13	13	13	13	9	9
Stormwater utility:										
Stormwater main drain lines (miles)	137	132	132	135	132	130	130	130	128	126
Stormwater pump stations	17	17	17	17	17	17	17	17	16	16
Central parking district:										
Parking structure	1	1	1	1	1	1	1	1	1	1
Parking spaces	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450	2,450
Parking lots	25	25	25	25	25	25	25	25	25	25

Source: City of Lodi Departments

CITY OF
Lodi
CALIFORNIA

City of Lodi 2025 Financial Audit

Presented by:

Christian Townes, CPA, Partner

May 20, 2026

lslcpas.com

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Scope of Engagement

- LSL was engaged by the City of Lodi to perform the following procedures:
  - Financial statement audit for the year ended June 30, 2025, in accordance with generally accepted auditing standards and Government Auditing Standards.
  - Single audit over the City's federal award programs for the year ended June 30, 2025, in accordance with the federal Uniform Guidance.

Scope of Engagement

- Interim Fieldwork
  - July 28–August 1, 2025
  - Examined internal controls
  - Interviewed staff and personnel
  - Provided feedback to management
  - Performed our audit risk assessment
  - Planned year-end audit procedures to respond to risk
- Year-End Fieldwork
  - December 15–January 15, 2026
  - Detailed testing of account balances and transactions
  - Compliance testing with laws, regulations, grant agreements, contracts
  - Single Audit testing
  - Other procedures necessary to obtain sufficient, appropriate audit evidence

Results of Audit

- Unmodified auditor's opinion on the General Fund and the Streets Fund
- Modified auditor's opinion on the Governmental Activities, Business-type Activities, Electric Fund, Wastewater Fund, Water Fund, and the Aggregate Remaining Fund information
- We issued the Report on Internal Control and Compliance
  - Deficiencies in internal control were identified.
- All findings were repeat findings from the FY 2024 audit.

Results of Audit

- We issued an unmodified auditor's opinion on the City of Lodi's compliance with the requirements of major federal award programs.
  - We found an instance of noncompliance with the terms and conditions of major federal award programs at June 30, 2025, related to delays in financial reporting and incomplete schedule of expenditures of federal awards.

- We identified no going concern doubts as of June 30, 2025.
- We identified no fraud, waste, or abuse during the fiscal year ended June 30, 2025.

LSL

Results of Audit

- We had no disagreements with management about application of accounting principles.
- We had no difficulties conducting our audits.
- We determined that all estimates used by management in preparing the financial statements were reasonable.

Changes from Prior Year

- During the fiscal year, the City implemented GASB 101, *Compensated Absences.* The implementation of this pronouncement resulted in a restatement of $(1.0) million to the City's beginning net position.
- During the year, the City identified errors in the CIP balance related to previously capitalized items that did not meet the criteria to be capitalized. The error resulted in a restatement of $(1.0) million to the City's beginning net position.
- Further discussion of these restatements can be found in Note 18 of the financial statements.

Financial Highlights

- Net position increased by $29.7 million in the year to $457.5 million.
- Total assets increased $27.5 million or 3.3% from the prior year.
  - Capital assets increased by $14.3 million.
- Total liabilities decreased $6.7 million or 1.8% from the prior year.
  - Long-term liabilities decreased by $11.9 million.
  - Net pension liability decreased from $173.4 million to $169.4 million, or 2.3%
  - Net OPEB liability decreased from $18.2 million to $17.0 million, or 6.6%

Questions

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COUNCIL COMMUNICATION

AGENDA TITLE:
Receive Presentation Regarding Fiscal Year 2026/27 Enterprise, Special Revenue and Capital Outlay (IS - BUD)

MEETING DATE:
May 20, 2026

PREPARED BY:
Jennelle Baker, Budget Manager

RECOMMENDED ACTION:
Receive presentation regarding Fiscal Year 2026/27 Enterprise, Special Revenue, and Capital Outlay.

BACKGROUND INFORMATION:
Staff has planned four presentations to provide the City Council and public an opportunity to review and comment on basic assumptions within the Fiscal Year 2026/27 budget.

Council Meetings:
May 6, 2026 - 3rd Quarter Budget Review and Fiscal Year 2026/27 Study Session
May 20, 2026 - Enterprise, Special Revenue, and Capital Outlay Funds
June 3, 2026 - General Fund and Replacement Funds
June 17, 2026 - Fiscal Year 2026/27 Budget Adoption

This session is designed to provide information on the following:

1) Enterprise funds consisting of Electric Utility, Water Utility, Wastewater Utility and Transit Funds including Capital requests
2) Special Revenue funds consisting of Streets, Community Development, Parks, Recreation, and Cultural Services, Library, and Capital Outlay

FISCAL IMPACT:
There is no impact from this informational presentation.

FUNDING AVAILABLE:
The draft budgets for the Enterprise, Special Revenue, and Capital Outlay funds for Fiscal Year 2026/27 will be reviewed.

Fiscal Year 2026/27
Enterprise & Special Revenue Funds

May 20, 2026

CITY OF Lodi CALIFORNIA

FISCAL YEAR 2026/27 – OVERVIEW

Enterprise Funds

- Electric
- Water
- Wastewater
- Transit

ELECTRIC UTILITY - OVERVIEW

Estimated Changes in Fund Balance For the Fiscal Year Ended June 30, 2027 With Actuals for FY 2024-25 and Year End Estimates for FY 2025-26			
	2024-25 Actual	Est. 2025-26	2026-27 Budget
Beginning Cash Balance	$40,818,361	$42,411,788	$38,536,716
Revenues	$95,536,395	$100,693,140	$99,769,150
Expenditures*	$93,942,968	$104,568,212	$104,713,010
Net Difference	$1,593,427	($3,875,072)	($4,944,620)
Ending Cash Balance	$42,411,788	$38,536,716	$33,592,096
% of Reserve Target	143%	130%	113%
*Includes Balance Sheet Adjustments to more accurately represent available cash			

ELECTRIC UTILITY – REVENUE HIGHLIGHTS

- Revenues $924,000 lower than FY 2025/26 estimated actuals
  - One-time funding approximately $2.1M lower
    - Low Carbon Fuel Standard funds for EV Master Plant Deployment
    - One-time FEMA grant reimbursement
  - Reimbursable Charges - $520,000 higher
    - Joint Pole (NCJPA) – shared costs associated with pole replacements
    - Work for Others
  - Interest Earnings - $351,000 higher
  - Customer Charges - $170,000 higher due to projected usage increase
  - Interfund Credit - $90,000 higher
    - Credit to operations for discount programs
  - Sale of City Property – $40,000 higher
    - Sale of vehicles upon replacement

ELECTRIC UTILITY – EXPENDITURE HIGHLIGHTS

- Expenses $145K higher than FY 2025/26 estimated actuals
  - Salaries & Benefits - $972,000 higher
    - Labor market adjustments and higher medical insurance contribution
  - Power Supply Costs - $662,000 higher
    - Slightly higher projected increase in energy consumption
    - Increase in transmission access charges
      - Will reduce by approximately 50% once 230 kV Transmission Project operational by eliminating low-voltage access charges
  - Increase in Public Goods Projects and Expansion of Rebates - $850K higher
    - Access Center
    - Downtown Holiday Lighting Sponsorship
    - Funding of CBID (Non Profit Discount)
    - Expansion of DIY Commercial Lighting Program and EV Rebates

ELECTRIC UTILITY – EXPENDITURE HIGHLIGHTS CONT

- Transfers to General Fund (Cost of Service/PILOT) - $416K higher
- Reduction in one-time professional services contracts - $160K lower
- Capital Projects/Equipment - $2.6M lower
  - Projects and vehicles/equipment based on LEU 10-year CIP Forecast
  - FY 27 will include any unspent project funds from FY 2025/26

ELECTRIC UTILITY – CAPITAL PROJECTS

Project Name	FY 2026/27
12 kV Overhead Maintenance	$925,000
12 kV Underground Maintenance	$365,000
Streetlight Maintenance	$100,000
Work for Others	$750,000
230 kV Interconnection	$2,500,000
Substation Relay Modernization	$250,000
Substation Maintenance	$390,000
60kV Breaker Upgrades and Replace	$136,000
Substation Load Tap Charger	$150,000
Electric Utility Cyber Security	$50,000
TOTAL:	**$5,616,000**

ELECTRIC UTILITY – VEHICLES

Vehicle Requests	FY 2026/27
Foreman Truck - Replacement	$110,000
All Electric Metering Vans (2) – Replacing two fuel powered	$140,000
Substation Supervisor Truck – Replacement	$110,000
TOTAL:	**$360,000**

ELECTRIC UTILITY – EQUIPMENT

Equipment Requests	FY 2026/27
Engineering Plotter/CAD Printer - Replacement	$15,000
Cable Reels (2) - New	$30,000
Pipe Bender - New	$15,000
Medium Dump Trailer - Replacement	$11,000
Meter Test Board - Replacement	$40,000
Small Utility Trailer - Replacement	$6,000
TOTAL:	**$117,000**

WATER UTILITY OVERVIEW

Estimate Changes in Fund Balance
For the Fiscal Year Ended June 30, 2027
With Actuals for FY2024-25 and Year End Estimates for FY2025-26

Water Utility	2024-25 Actuals	Estimated 2025-26 Actuals	2026-27 Budget
Cash Balance			
Beginning Cash Balance Unreserved	51,249,908	59,322,186	18,029,375
Revenues	20,951,724	16,568,730	17,898,900
Expenditures *	12,879,446	31,132,928	15,336,930
Net Difference (Revenues Less Expenditures)	8,072,278	(14,564,198)	2,561,970
Restricted Settlement Funds**	-	26,728,613	-
Ending Cash Balance Unreserved	59,322,186	18,029,375	20,591,345
Cash Balance as a percentage of expenses:	461%	58%	134%

** Actuals include balancing sheet adjustments*

***PCE/TCE Settlement Restricted Funds*

WATER UTILITY – REVENUE HIGHLIGHTS

- Revenues are $1,330,170 higher than FY 2025/26 estimated actuals
  - Intrafund Transfers In - $1,281,000 higher
  - Customer Accounts - $7,250 higher
  - Water Meter Installation - $225,000 lower
  - Developer Impact fees - $11,270 higher
  - Other Revenue - $53,510 higher

WATER UTILITY – EXPENDITURE HIGHLIGHTS

- Expenses are $15,795,998 lower than FY 2025/26 estimated actuals
  - Salary & Benefits - $166,130 higher
  - Transfer Out - $1,047,466 higher
  - Vehicles & Equipment - $130,000 lower
  - Supplies and Services - $169,573 higher
  - Capital Projects & Equipment - $17,046,767 lower

WATER UTILITY – CAPITAL PROJECTS

Project Name	FY 2026/27
PCE/TCE Oversight	125,000
Water Project Planning	25,000
Water Taps / Main Replacement	125,000
Total	275,000

WATER UTILITY - EQUIPMENT AND VEHICLE REQUESTS

Vehicles/Equipment	FY 2026/27
Full-size EV Truck	90,000
Aluminum Utility Bed	20,000
Total	110,000

WASTEWATER UTILITY OVERVIEW

Estimate Changes in Fund Balance
For the Fiscal Year Ended June 30, 2027
With Actuals for FY2024-25 and Year End Estimates for FY2025-26

Wastewater Utility	2024-25 Actuals	Estimated 2025-26 Actuals	2026-27 Budget
Cash Balance			
Beginning Cash Balance Unreserved	31,362,729	31,838,268	17,572,299
Revenues	23,252,337	20,404,040	21,208,500
Expenditures *	22,776,799	34,670,009	20,575,710
Net Difference (Revenues Less Expenditures)	475,538	(14,265,969)	632,790
Restricted Cash Balance	-	-	-
Ending Cash Balance Unreserved	31,838,268	17,572,299	18,205,089
Cash Balance as a percentage of expenses:	140%	51%	88%

** Actuals include balancing sheet adjustments*

WASTEWATER UTILITY – REVENUE HIGHLIGHTS

- Revenues are $804,460 higher than FY 2025/26 estimated actuals
  - Intrafund Transfers In - $1,000,000 higher
  - Development Impact fees - $108,800 lower
  - Customer accounts - $90 lower
  - Other fees - $86,830 lower

WASTEWATER UTILITY – EXPENDITURE HIGHLIGHTS

- Expenses are $14,094,300 lower than FY 2025/26 estimated actuals
  - Salary & benefits - $209,960 higher
  - Supplies, materials & services - $202,973 lower
  - Transfer Out - $713,646 higher
  - Capital projects & equipment - $15,126,298.80 lower
- Staffing Request:

Position	Total Comp	Note
Senior Store Keeper	120,000	W/WW

WASTEWATER UTILITY – CAPITAL PROJECTS

Project Name	FY 2026/27
Wastewater Proj Planning	25,000
Wastewater Treatment Plant Pavement	650,000
Upgrade Blowers	750,000
Total	1,425,000

WASTEWATER UTILITY - VEHICLE REQUESTS

Vehicles/Equipment	FY 2026/27
EV Van	150,000
Boom Truck	400,000
Total	550,000

TRANSIT OVERVIEW

Estimate Changes in Fund Balance For the Fiscal Year Ended June 30, 2027 With Actuals for FY2024-25 and Year End Estimates for FY2025-26			
Transit	**2024-25 Actuals**	**Estimated 2025-26 Actuals**	**2026-27 Budget**
Cash Balance			
Beginning Cash Balance Unreserved	915,695	(1,108,866)	(6,142,734)
Revenues	2,921,934	8,995,360	12,143,300
Expenditures	4,946,495	14,029,228	7,187,570
Net Difference (Revenues Less Expenditures)	(2,024,561)	(5,033,868)	4,955,730
Restricted Cash Balance	142,951	158,541	158,541
Ending Cash Balance Unreserved	(1,251,817)	(6,301,275)	(1,345,545)
Cash Balance as a percentage of expenses:	-25%	-45%	-19%

- Balance deficit based on the grant reimbursement timing

TRANSIT – REVENUE HIGHLIGHTS

- Revenues are $3,147,940 higher than FY 2025/26 estimated actuals
  - Federal Grants (Operating) - $1,677,500 higher
  - TDA Allotment (Dial-A-Ride) - $958,120 higher
  - TDA Allotment (Operating) - $918,000 higher
  - Prop 1B State of Good Repair - $167,040 higher
  - State Grants - $533,870 lower
  - Other Revenue - $39,380 lower

TRANSIT – EXPENDITURE HIGHLIGHTS

- Expenses are $6,600,077 lower than FY 2025/26 estimated actuals
  - Salary & benefits - $261,520 higher
  - Supplies, materials & services - $883,030 higher
  - Transfer Out - $82,970 higher
  - Capital projects & equipment - $7.8M lower
  - New Position:

Position	Total Comp	Note
Transportation Coordinator	105,300	Transit

TRANSIT CAPITAL

Project Name	FY 2026/27
Bus Stop Improvement Project	300,000
Parking Structure Roof & Stairwell Repair	10,000
CNG Compressor Upgrade	200,000
Total	510,000

SPECIAL REVENUE FUNDS

- Streets
- Community Development
- Parks, Recreation and Cultural Services
- Library

STREETS OVERVIEW

Estimate Changes in Fund Balance
For the Fiscal Year Ended June 30, 2027
With Actuals for FY2024-25 and Year End Estimates for FY2025-26

Streets Fund	2024-25 Actuals	Estimated 2025-26 Actuals	2026-27 Budget
Fund Balance			
Beginning Fund Balance	17,470,598	20,047,692	12,013,284
Revenues	7,819,128	9,301,510	7,609,050
Expenditures	5,242,034	17,335,918	9,065,370
Net Difference (Revenues Less Expenditures)	2,577,094	(8,034,408)	(1,456,320)
Restricted Fund Balance	432,329	479,462	479,462
Ending Fund Balance Unreserved	19,615,363	11,533,822	10,077,502
Fund Balance as a percentage of revenue:	251%	124%	132%

STREETS – OPERATIONAL VS. RESTRICTED FUNDS

Fund	Source	Revenue use	FY 2026/27
Fund 300	Solid Waste contract	Downtown Maintenance	100,000
Fund 301	Solid Waste contract Gas Tax 2105, 2106, 2107 Subventions	Operations	5,213,370
Fund 302	Gas Tax 2103 Subventions	Capital projects	643,000
Fund 303	Measure K	Operations & Capital projects	1,600,000
Fund 304	Gas Tax 2032 Subventions SB 1 Gas Tax	Street resurfacing projects	1,775,700
Fund 305	Transportation Development Act (funding ends 6/30/25)	Operations & Capital projects	0
Fund 308	Development Impact Fees - Streets	Restricted, project specific	213,300
Fund 314	Development Impact Fees - Transp	Restricted, project specific	800,200
Fund 331	TDA - Pedestrian / Bike	Restricted, project specific	105,000
Total			10,450,570

STREETS – REVENUE HIGHLIGHTS

- Revenues are $1.5M higher than FY 2025/26 estimated actuals
  - Transfers In - $2.72M Increase
  - Gas Taxes - $80,010 Increase
  - Measure K - $394,780 Decrease
  - Federal Grants - $1.5M Decrease
  - Impact Fees - $245,440 Increase

STREETS – EXPENDITURE HIGHLIGHTS

- Expenses are $8.2M lower than FY 2025/26 estimated actuals
  - Salary & benefits - $192,560 higher
  - Supplies & Services - $1,550 higher
  - Insurance - $29,880 higher
  - Transfer Out - $2.7M higher
  - Capital - $11.2M lower

STREETS UTILITY CAPITAL PROJECTS – FY 27 APPROPRIATIONS

Project Name	FY 2026/27
Streets Project Planning	25,000
Annual Street Striping	80,000
Signal Preventative Maint	170,000
Pavement Crack Seal	75,000
Downtown Concrete Clean	30,000
Annual Pavement Maint	50,000
Rapid Flashing Beacons	50,000
Sidewalk Repairs	150,000
Ham/Turner Signal Improvements	290,000
Total	920,000

COMMUNITY DEVELOPMENT OVERVIEW

Estimate Changes in Fund Balance
For the Fiscal Year Ended June 30, 2027
With Actuals for FY2024-25 and Year End Estimates for FY2025-26

Community Development	2024-2025 Actual	Estimated 2025-2026 Actual	2026-2027 Budget
Fund Balance			
Beginning Fund Balance	8,386,377	9,327,019	6,478,138
Revenues	4,700,756	5,623,330	3,979,300
Expenditures	3,760,114	8,472,210	5,656,420
Net Difference (Revenues Less Expenditures)	940,642	(2,848,880)	(1,677,120)
Restricted Fund Balance	463,378	491,948	491,948
Ending Fund Balance Unreserved	8,863,641	5,986,191	4,309,071
Fund Balance as a percentage of expense:	236%	71%	76%

*FY26 Includes $1.5M for General Plan, which will roll to FY27

COMMUNITY DEVELOPMENT – REVENUE HIGHLIGHTS

- Revenues are $1,644,030 lower than FY 2025/26 estimated actuals
  - Building & Permit Fee Revenue - $144,030 Decrease
  - Operating Transfer In - $1,500,000 Decrease

COMMUNITY DEVELOPMENT – EXPENDITURE HIGHLIGHTS

- Expenses are $2.8 million lower than FY 2025/26 estimated actuals
  - Salary & benefits - $410,004 higher
  - Supplies, Materials & Services - $234,564 lower
  - Insurances - $39,090 higher
  - Transfers Out - $1.5M lower
  - Capital - $1.5M lower
    - Comprehensive Plan – Will roll to FY27

PARKS, RECREATION & CULTURAL SERVICES OVERVIEW

Estimate Changes in Fund Balance
For the Fiscal Year Ended June 30, 2027
With Actuals for FY2024-25 and Year End Estimates for FY2025-26

Parks, Recreation & Cultural Services Fund	2024-25 Actuals	Estimate 2025-26 Actuals	2026-27 Budget
Fund Balance			
Beginning Fund Balance	2,908,943	3,229,824	2,878,574
Revenues	8,879,537	9,650,650	10,321,090
Expenditures	8,558,656	10,001,900	10,321,090
Net Difference (Revenues Less Expenditures)	320,881	(351,250)	-
Restricted Fund Balance	739,036	874,860	874,860
Ending Fund Balance Unreserved	2,490,788	2,003,714	2,003,714
Fund Balance as a percentage of revenue:	28%	21%	19%

PARKS, RECREATION & CULTURAL SERVICES - REVENUE HIGHLIGHTS

- Revenues are $670,440 higher than FY 2025/26 estimated actuals
  - Operating Transfer In - $727,940 higher
  - Program Fees & Rental Fees - $57,500 lower
- Revenue Breakdown

Source	Amount	%
General Fund Contribution	7,906,790	77%
PRCS Department Revenue	2,414,300	23%

PARKS, RECREATION & CULTURAL SERVICES - EXPENDITURE HIGHLIGHTS

- Expenses are $319,190 higher than FY 2025/26 estimated actuals
  - Salaries & Benefits- $375,160 higher
  - Supplies and Services - $17,830 lower
  - Insurances - $53,490 higher
  - Operating Transfer Out - $91,630 lower

PRCS MAINTENANCE – HUTCHINS STREET SQUARE

Hutchins Street Square Maintenance and Capital Needs

Description	Year of Installation	Replacement Due	Cost	Useful Life (Years)	Annual Contribution	Existing Funding	Underfunded
HSS Interior							
ADA compliant doors	1993	2008	$ 300,000	15	$ 20,000	$ -	$ 300,000
2nd floor of Fine Art building renovation	1993	2008	$ 35,000	15	$ 2,333	$ -	$ 35,000
Sound System for entire building	1994	2014	$ 250,000	20	$ 12,500	$ -	$ 250,000
Stage lighting, 6 new robotic LED lights	1994	2014	$ 90,000	20	$ 4,500	$ -	$ 90,000
Elevator Modernization	1993	2023	$ 1,300,000	25	$ 52,000	$ -	$ 1,300,000
HSS Fire Panels (General Fund Capital)	2010	2025	$ 500,000	20	$ 25,000	$ 300,000	$ 200,000
Kitchen Maintenance and Equipment	2012	2027	$ 50,000	15	$ 3,333	$ -	$ 43,333
Hutchins Street Square Interior Improvements	2024	2029	$ 100,761	15	$ 6,717	$ -	$ 6,717
Hutchins Street Square Roof	2023	2033	$ 3,120,000	30	$ 104,000	$ -	$ 208,000
Hutchins Street Square Climate Control Replacement	2024	2034	$ 425,000	30	$ 14,167	$ -	$ 14,167
Hutchins Street Square Security Cameras	2024	2034	$ 85,000	10	$ 8,500	$ -	$ 8,500
Install drinking fountains w/ touch free bottle fillers	2024	2034	$ 35,000	10	$ 3,500	$ -	$ 3,500
Update lighting fixtures and convert to LED	2024	2034	$ 30,000	10	$ 3,000	$ -	$ 3,000
Converting empty rooms into storage or useable space	2025	2035	$ 5,000	10	$ 500	$ -	$ -
Key entry upgrades / Security measures	2025	2040	$ 80,000	15	$ 5,333	$ -	$ -
Theater							
Wireless headset communication system	2004	2014	$ 12,000	10	$ 1,200	$ -	$ 12,000
Light Board	2023	2033	$ 17,000	10	$ 1,700	$ -	$ 17,000
Water damage repair in bathrooms/dressing rooms	2024	2035	$ 5,000	10	$ 500	$ -	$ 500
Charlene Powers Lange Performing Arts Theatre Fire Curtain Rigging	2025	2055	$ 240,000	20	$ 12,000	$ -	$ -
Theatre: Stage lighting							
Theatre: 6 new robotic LED lights							

PRCS MAINTENANCE – HUTCHINS STREET SQUARE

POOL							
Updated tile work in pool area	1994	2009	$ 30,000	15	$ 2,000	$ -	$ 30,000
Paint entire room	2025	2035	$ 150,000	10	$ 15,000	$ -	$ -
Paint pool deck	1993	2023	$ 20,000	10	$ 2,000	$ -	$ 20,000
Replace/repair skylight	1993	2023	$ 250,000	10	$ 25,000	$ -	$ 250,000
replace windows (add screens)	1993	2023	$ 50,000	10	$ 5,000	$ -	$ 50,000
upgrade shower areas/bathrooms with new faucet handles and shower hea	1993	2023	$ 1,500	10	$ 150	$ -	$ 1,500
Repair main drian line for pool (backwashing)	1994	2024	$ 10,000	30	$ 333	$ -	$ 10,000
Replace/reline drain system for pool bathrooms/shower rooms	1994	2024	$ 60,000	30	$ 2,000	$ -	$ 60,000
HSS Pool: Liner	2014	2026	$ 340,000	12	$ 28,333	$ 40,000	$ 311,667
Booster pump for the pool heaters	2024	2029	$ 3,000	20	$ 150	$ -	$ 150
HSS EXTERIOR							
External Digital Marquee Sign	1994	2004	$ 100,000	10	$ 10,000	$ -	$ 100,000
Irrigation System, clock upgrades, main line	1994	2014	$ 50,000	20	$ 2,500	$ -	$ 50,000
Improvements to basketball court/handball area	1992	2022	$ 80,000	30	$ 2,667	$ -	$ 80,000
HSS Parking Lot(s) Overlay Improvements and Tripping Hazards	1993	2023	$ 1,500,000	30	$ 50,000	$ 50,000	$ 1,450,000
Facility Windows	2003	2023	$ 500,000	20	$ 25,000	$ -	$ 500,000
Trash cans inside/outside facility and in park	2014	2024	$ 20,000	10	$ 2,000	$ -	$ 20,000
HVAC Units (32 total) (replacement program)	1994	2024	$ 1,100,000	30	$ 36,667	$ -	$ 1,100,000
Pergolas/Lean-to's around entire facility	2024	2044	$ 20,000	20	$ 1,000	$ -	$ 1,000
Booster Pump	2024	2044	$ 32,000	20	$ 1,600	$ -	$ 1,600
Artificial turf in kirst patio and wisheck ampitheater	2000	2025	$ 120,000	25	$ 4,800	$ -	$ 120,000
MAINTENANCE/AUTO SHOP							
Maintenance Shop Buildng Renovation (includes windows and outside improvements)	1994	2024	$ 1,300,000	30	$ 43,333	$ -	$ 1,300,000
Auto Shop Roof	1994	2024	$ 580,000	30	$ 19,333	$ -	$ 580,000

PRCS MAINTENANCE – HUTCHINS STREET SQUARE

RENTAL ROOMS								
Chairs (Holz)	2002	2014	$ 31,000	12	$ 2,583	$ -	$	31,000
Drapes 7 Stage Skirting	2008	2023	$ 10,000	15	$ 667	$ -	$	10,000
48" round tables	2008	2023	$ 10,000	15	$ 667	$ -	$	10,000
6ft tables	2008	2023	$ 9,000	15	$ 600	$ -	$	9,000
Bistro tables	2008	2023	$ 10,000	10	$ 1,000	$ -	$	10,000
Cocktail tables	2008	2023	$ 5,000	10	$ 500	$ -	$	5,000
White plastic 8 ft tables (Holz)	2015	2023	$ 2,500	5	$ 500	$ -	$	2,500
Projectors	2015	2023	$ 5,000	10	$ 500	$ -	$	5,000
Chairs (Kirst)	2012	2024	$ 25,000	12	$ 2,083	$ -	$	25,000
Chairs (Cottage, Pisano, Crete)	2012	2024	$ 22,000	12	$ 1,833	$ -	$	22,000
Stages and stairs	2009	2024	$ 20,000	15	$ 1,333	$ -	$	20,000
Sound System for whole building (wireless mic, speaker, and amp)	2016	2026	$ 100,000	10	$ 10,000	$ -	$	90,000
Crete, Kirst, Thomas Theater Floor Maintenance (resurfacing, refinishing, se	2024	2034	$ 50,000	10	$ 5,000	$ -	$	5,000
Crete kitchen garbage disposal	2025	2035	$ 5,000	10	$ 500	$ -	$	-
Kirst Kitchen freezer	2025	2035	$ 5,000	10	$ 500	$ -	$	-
60" round tables	2025	2040	$ 10,000	15	$ 667	$ -	$	-
8ft tables	2025	2040	$ 5,000	15	$ 333	$ -	$	-
Equipment								
Carpet Cleaner	2025	2030	$ 5,000	10	$ 500	$ -	$	5,000
Scissor lift	2025	2040	$ 20,000	15	$ 1,333	$ -	$	20,000
Totals (Maintenance and Capital Projects)			**$ 13,345,761**		**$ 590,751**	**$ 390,000**	**$**	**8,797,134**

Immediate Unfunded Needs	**$**	**8,237,667**
Required Annual Contribution	**$**	**590,751**

PRCS MAINTENANCE - RESTROOMS

Park Restroom Replacement Schedule

Park Restrooms	Year	Replacement Due	Cost	Useful Life (Years)	Required Contribution	FY 26-27 Contribution	Underfunded
Vinewood	1982	2007	$ 800,000	25	$ 32,000	$ -	$ 800,000
Salas	1984	2009	$ 140,000	25	$ 5,600	$ -	$ 140,000
Chapman Field	1986	2011	$ 400,000	25	$ 16,000	$ -	$ 400,000
Softball Complex	1986	2011	$ 400,000	25	$ 16,000	$ -	$ 400,000
Hale*	1989	2014		25	$ -	$ -	$ -
Zupo Field	1994	2019	$ 140,000	25	$ 5,600	$ -	$ 140,000
Emerson	1995	2020	$ 550,000	25	$ 22,000	$ -	$ 550,000
Katzakian	2000	2025	$ 400,000	25	$ 16,000	$ -	$ 400,000
Peterson	2000	2025	$ 450,000	25	$ 18,000	$ -	$ 450,000
Legion (Retro-fitted)*	2006	2031		25	$ -	$ -	$ -
Beckman	2008	2033	$ 300,000	25	$ 12,000	$ -	$ 204,000
Henry Glaves	2008	2033	$ 300,000	25	$ 12,000	$ -	$ 204,000
Grape Bowl	2013	2038	$ 250,000	25	$ 10,000	$ -	$ 120,000
Grape Bowl Field House (Retro-fitted)	2014	2039	$ 100,000	25	$ 4,000	$ -	$ 44,000
Kofu (Retro-fitted)	2019	2044	$ 100,000	25	$ 4,000	$ -	$ 24,000
Blakely	2020	2045	$ 380,000	25	$ 15,200	$ -	$ 76,000
Villa Fiore	2020	2045	$ 300,000	25	$ 12,000	$ -	$ 60,000
DeBenedetti	2025	2050	$ 875,000	25	$ 35,000	$ -	$ -
Gateway (FCB 24/25)	2025	2050	$ 300,000	25	$ 12,000	$ -	$ -
Lodi Lake Hughes Beach	2025	2050	$ 365,000	25	$ 14,600	$ -	$ -
Lodi Lake South	2025	2050	$ 430,000	25	$ 17,200	$ -	$ -
Lodi Lake North (Renovated)	2025	2050	$ 700,000	25	$ 28,000	$ -	$ -
Lawrence (Removed 2024)						$ -	$ -
Total			**$ 7,680,000**		**$ 307,200**	**$ -**	**$ 4,012,000**

*restrooms attached to community buildings

Required Annual Contribution $307,200
Immediate Unfunded Needs $2,430,000

PRCS MAINTENANCE - PLAYGROUND

Playground Replacement Schedule

	Park (Includes Fibar)	Year	Replacement Due	Cost	Useful Life (Years)	Required Contribution	FY 26-27 Contribution	Underfunded
	Century Park	2001	2011	$ 315,000	10	$ 31,500		$ 315,000
	Salas	2001	2011	$ 365,000	10	$ 36,500		$ 365,000
	HSS Playground	2001	2011	$ 345,000	10	$ 34,500		$ 345,000
	Emerson Park - pour in place	2004	2014	$ 445,000	10	$ 44,500		$ 445,000
	Lawrence - pour in place	2004	2014	$ 340,000	10	$ 34,000		$ 340,000
	Hale - pour in place	2005	2015	$ 515,000	10	$ 51,500		$ 515,000
	Blakely	2006	2016	$ 360,000	10	$ 36,000		$ 360,000
	Century Meadows - pour in place	2006	2016	$ 440,000	10	$ 44,000		$ 440,000
	Peterson Park (west) - pour in place	2006	2016	$ 440,000	10	$ 44,000		$ 440,000
	Van Buskirk	2011	2021	$ 325,000	10	$ 32,500		$ 325,000
1	Rose Gate North	2015	2025	$ 395,000	10	$ 39,500		$ 395,000
2	Henry Glaves	2018	2028	$ 380,000	10	$ 38,000		$ 266,000
1	Orchard Lane	2018	2028	$ 365,000	10	$ 36,500		$ 255,500
1	Villa Fiore	2018	2028	$ 340,000	10	$ 34,000		$ 238,000
2	Emerson Park - tot lot	2018	2028	$ 120,000	10	$ 12,000		$ 84,000
2	Candy Cane	2019	2029	$ 300,000	10	$ 30,000		$ 180,000
1	Bob Johnson	2021	2031	$ 345,000	10	$ 34,500		$ 138,000
1	Westgate Park	2023	2033	$ 400,000	10	$ 40,000		$ 80,000
3	English Oaks	2024	2034	$ 345,000	10	$ 34,500		$ 34,500
3	Peterson Park (east)	2024	2034	$ 330,000	10	$ 33,000		$ 33,000
3	Legion	2024	2034	$ 365,000	10	$ 36,500		$ 36,500
3	Katzakian	2024	2034	$ 310,000	10	$ 31,000		$ 31,000
3	Hale Tot - pour in place	2024	2034	$ 280,000	10	$ 28,000		$ 28,000
3	Lodi Lake	2024	2034	$ 300,000	10	$ 30,000		$ 30,000
1	Gateway Park	2025	2035	$ 450,000	10	$ 45,000		$ -
	Total			**$ 8,915,000**		**$ 891,500**		**$ 5,719,500**

1 Developer Funded new construction
2 Grant funded replacement
3 City funded replacement through FY 2020/2021 one-time funds

Required Annual Contribution $891,500
Immediate Unfunded Needs $4,285,000
Updated 5/14/2026

PRCS MAINTENANCE - SERVICE BASED BUDGET

PRCS Maintenance Service Based Budget Summary	
Current Annual Hours	41694
Current FTE Equivalent	23.8
Needed Annual Hours	61,284
Needed FTE Equivalent	35.0
FTE Deficit	***11.2***
Annual Cost to Fund FTE Deficit	***$ (1,598,393)***
Current Maintenance Budget (FY25)	**$ 2,773,850**
(20072202 total expenditures)	
Increase needed to Current Budget	***-58%***

*Note - 1 FTE is assumed to work 1,750 hours/year. FTE are paid 2,080 hours, but receive paid time off up to 240 hours vacation, 96 hours sick and 104 hours holiday and are entitled to various unpaid protected leaves. Average cost assumes equal mix of PMW1 and PMW3 Classifications.

PRCS MAINTENANCE - SUMMARY

	FY 26/27 Revenue/(Shortage)	Dedicated Annual Contribution	Current Past Due Status
HSS Maintenance/Capital	(590,751)	-	(8,797,134)
Playground Replacement	(891,500)	-	(5,719,500)
Restroom Replacement	(4,012,000)	-	(4,012,000)
SBB Deficit	(5,494,251)	-	(18,528,634)
Total Annual Capital Contribution	400,000	-	400,000
Total	(5,094,251)	-	(18,128,634)

LIBRARY OVERVIEW

Estimate Changes in Fund Balance
For the Fiscal Year Ended June 30, 2027
With Actuals for FY2024-25 and Year End Estimates for FY2025-26

Library Fund	2024-25 Actuals	Estimated 2025-26 Actuals	2026-27 Budget
Fund Balance			
Beginning Fund Balance	1,821,520	2,152,815	1,921,125
Revenues	2,039,193	1,737,690	1,981,430
Expenditures	1,707,898	1,969,380	2,181,430
Net Difference (Revenues Less Expenditures)	331,295	(231,690)	(200,000)
Restricted Fund Balance	251,838	267,383	267,383
Ending Fund Balance Unreserved	1,900,976	1,653,742	1,453,742
Fund Balance as a percentage of revenue:	93%	95%	73%

Expenditures excludes Measure L Librarian position

LIBRARY - REVENUE HIGHLIGHTS

- Revenues are $243,740 higher than FY 2025/26 estimated actuals
  - Operating Transfer In - $271,740 higher
  - Fees, Grants, & Donations - $28,000 lower
- Revenue Breakdown:

Source	Amount	%
General Fund Contribution	1,947,430	98%
Library Department Revenue	34,000	2%

LIBRARY - EXPENSE HIGHLIGHTS

- Expenses are $212,050 higher than FY 2025/26 estimated actuals
  - Salaries & Benefits - $79,670 higher
  - Supplies and Services - $124,550 higher
  - Insurance - $14,400 higher
  - Transfers Out - $4,970 lower

QUESTIONS