

RESOLUTION NO. 2025-\_\_\_\_\_

A RESOLUTION OF THE LODI CITY COUNCIL AUTORIZING THE ACTING CITY  
MANAGER TO EXECUTE A PROFESSIONAL SERVICES AGREEMENT WITH  
DKG CONSULTANTS, LLC, FOR FINANCE, ACCOUNTING AND  
ADMINISTRATIVE CONSULTING SERVICES (\$67,500)

=====

WHEREAS, on June 10, 2025, City Council received Moss Adams LLP's City-Wide Internal Controls Review Final Report. The Report shows that the City has opportunity to strengthen controls, policies, procedures and systems. The evaluation discovered gaps in internal controls of varying degrees across multiple departments and suggests the City address the following priorities in the next 6-12 months:

- Implement a fraud, waste, and abuse hotline.
- Establish an internal audit function.
- Implement a committee-based approach for investment management.
- Assess current staffing levels.
- Develop a process to ensure monthly accounts receivable aging reconciliation are performed and that both the preparer and reviewer sign off on the accounts receivable aging reconciliation as evidence of completion of their duties.
- Set a threshold where a Utility Billing manager must review customer account adjustments prior to being posted.
- Perform bank reconciliation for the past seven months.
- Assess the necessity of fleet vehicles and dispose of vehicles that are no longer needed.
- Strengthen the review process over the pre-import data validation for Fire Department payroll.
- Strengthen the CAL-Card use and review process.
- Establish a centralized procurement function to oversee and streamline procurement activities across all departments.

WHEREAS, Lodi Municipal Code Section 3.20.075 - Professional/technical services contracts provides for exceptions to the formal bid process for purchases greater than \$60,000 including when a professional services agreement is for accounting and financial services. However, the City Manager's Office solicited informal quotes from three (3) firms specializing in local government audit control and finance/accounting consulting services. Based on the received proposals, staff recommend DKG Consultants, LLC for their expertise in local government finance, accounting and budgeting, their succinct understanding of the scope of services and their proposed timeline for completion of the project.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the Acting City Manager to execute a Professional Services Agreement with DKG Consultants, LLC, for finance, accounting and administrative consulting services to address and expedite the recommendations from Internal Controls Review Final Report; 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: August 6, 2025

=====

I hereby certify that Resolution No. 2025-\_\_\_\_\_ was passed and adopted by the City Council of the City of Lodi in a regular meeting held August 6, 2025, by the following votes:

AYES: COUNCIL MEMBERS –

NOES: COUNCIL MEMBERS –

ABSENT: COUNCIL MEMBERS –

ABSTAIN: COUNCIL MEMBERS –

OLIVIA NASHED  
City Clerk

2025-\_\_\_\_\_