



SCAN ME



AGENDA KINGSBURG FINANCE COMMITTEE REGULAR MEETING

MONDAY, January 26, 2026 at 5:00pm

**Meeting held in the Council Chamber, 1401 Draper Street,
Kingsburg, CA 93631 (559)897-5821**

www.cityofkingsburg-ca.gov

The Council Chamber is accessible to the physically disabled. Requests for additional accommodations for the disabled should be made 48 hours prior to the meeting by contacting the City Clerk at 559-897-6520.

Any document that is a public record and provided to a majority of the Finance Committee regarding an open session item on the agenda will be made available for public inspection at City Hall, in the City Clerk's office, during normal business hours. In addition, such documents may be posted on the City's website.

Unless otherwise required by law to be accepted by the City at or prior to a Finance Committee meeting or hearing, no documents shall be accepted for Finance Committee review unless they are first submitted to the City Clerk by the close of business one day prior to said Finance Committee meeting/hearing at which the Finance Committee will consider the item to which the documents relate.

The meeting will be held in person. Public comment may be made in person or submitted in writing. Members of the public who wish to provide written comments are encouraged to submit their comments to the City Clerk at apalsgaard@cityofkingsburg-ca.gov by the close of business one day prior to the start of the meeting to ensure that the comments will be available to the Finance Committee. Please indicate the agenda item number to which the comment pertains. Written comments that do not specify a particular agenda item will be marked for the general public comment portion of the meeting. A copy of any written comment will be provided to the Finance Committee at the meeting. Please note that written comments received will not be read aloud during the meeting but will be included with the meeting minutes.

Staci Smith, Chairperson

Alexander Henderson, Member
Alma Colado, Member

Brandon Pursell, Member
Christina Windover, Member

CALL TO ORDER

PUBLIC COMMENT

REGULAR BUSINESS

1. Approve Minutes from the October 6, 2025 Regular Meeting as submitted by the City Clerk.
Sponsor: City Clerk's Office
Recommendation: Approve.
2. 2026-2027 Budget Schedule Consideration– Presentation by Member Alma Colado
Sponsor: Finance Department
Recommendation: Action as deemed necessary.
3. Authorize Auditing Services to Bryant L. Jolley CPA for Fiscal Years ended June 30, 2026, 2027 and 2028- Presentation by Member Alma Colado
Sponsor: Finance Department
Recommendation: Action as deemed necessary.
4. City Hall/EOC Design Update and California Infrastructure and Economic Development Bank Discussion– Presentation by Member Alexander Henderson
Sponsor: City Manager's Office
Recommendation: Action as deemed necessary.
5. Street Sweeping Services Discussion– Presentation by Member Alexander Henderson
Sponsor: City Manager's Office
Recommendation: Informational.

OTHER BUSINESSES

ADJOURN REGULAR KINGSBURG FINANCE COMMITTEE MEETING

Title VI of the Civil Rights Act of 1964 provides that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.

I hereby certify, under penalty of perjury under the laws of the State of California that the foregoing Agenda was posted at the front entrance of City Hall not less than 72 hours prior to the meeting. Dated this 23rd day of January 2026.

Abigail Palsgaard, City Clerk

**Kingsburg Finance Committee
Regular Meeting Minutes
October 6, 2025**

Council Chamber, 1401 Draper Street, Kingsburg, CA 93631

Call to order: Member Brandon Pursell called the meeting to order at 5:00pm.

Members present: Christina Windover, Alexander Henderson, Alma Colado and Brandon Pursell.

Member absent: Chairman Staci Smith

PUBLIC COMMENT: None.

REGULAR BUSINESS

Approve Minutes from the August 25, 2025 Regular Meeting as submitted by the City Clerk.

Sponsor: City Clerk's Office

Member Colado motioned, seconded by Member Windover, to approve the minutes from the August 25, 2025 Regular Meeting as submitted by the City Clerk. The motion passed by a unanimous voice vote of those members present.

2024-2025 End-year Budget Amendment Consideration- Presentation by Member Alma Colado

Sponsor: Finance Department

The Committee discussed 46 account expenditures and 46 account revenue updates. Member Windover motioned, seconded by Member Henderson, to recommend the 2024-2025 End-year Budget Amendment to Council. The motion passed by a unanimous voice vote of those members present.

Developer Impact Fee Nexus Study – Proposal Discussion- Presentation by Member Alexander Henderson

Sponsor: City Manager's Office

Member Henderson motioned, seconded by Member Windover, to recommend to Council to approve an agreement with DTA to completed a development impact fee update and nexus study. The motion passed by a unanimous voice vote of those members present.

OTHER BUSINESS: None.

ADJOURN REGULAR KINGSBURG FINANCE COMMITTEE MEETING

The meeting was adjourned to the next regular meeting at 5:14pm.

Submitted by:

Abigail Palsgaard, City Clerk



Meeting Date: 01/26/2026
Agenda Item: 2

FINANCE COMMITTEE STAFF REPORT

REPORT TO: Chairman Smith & The Finance Committee

REPORT FROM: Alexander J. Henderson, ICMA-CM

REVIEWED BY: AC

AGENDA ITEM: Proposed 2026-2027 Budget Schedule

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

Annually, the Council adopts the Budget schedule to identify dates for the development of the city's operating and capital budget. Staff is asking for any input and recommendation from the Finance Committee to have the Council adopt the schedule at their Feb. 4, 2026, regular meeting.

RECOMMENDED ACTION BY FINANCE COMMITTEE

1. Review the proposed schedule and recommend the Council formally adopt the 2026-2027 budget schedule.

POLICY ALTERNATIVE(S)

1. NA

REASON FOR RECOMMENDATION/KEY METRIC

1. Financial Stability

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|------------|
| 1. Is There A Fiscal Impact? | <u>No</u> |
| 2. Is it Currently Budgeted? | <u>N/A</u> |
| 3. If Budgeted, Which Line? | <u>N/A</u> |

PRIOR ACTION/REVIEW

None.

BACKGROUND INFORMATION

See executive summary.

ATTACHMENTS

1. Proposed 2026-2027 Budget Schedule



2026-2027 City of Kingsburg Budget Schedule

January 2026

- 26 Regular Finance Committee meeting. Recommend Budget Schedule to City Council. Possible Recommendations for mid-year 2025-2026 adjustments made to City Council.

February 2026

- 4 Regular City Council meeting. 2026-2027 budget schedule approved by the City Council.
- 9 Begin personnel costing worksheets and 2025-2026 year-end revenue projections.
- 16 2026-2027 Capital Improvement Plan (CIP) documents distributed to department heads from Finance Dept. for review and update.
- 18 Regular City Council meeting.
- 23 Regular Finance Committee meeting. Possible Recommendations for mid-year 2025-2026 adjustments made to City Council.

March 2026

- 20 Capital improvement project (CIP) department requests with supporting documentation due to Finance Director for review (from Dept. Heads).
- 23 Regular Finance Committee meeting.

April 2026

- 2 Personnel costing worksheets and 2025-2026 revenue projections due from Finance Director.
- 9 Department Heads complete 2025-2026 year to date and year end revenue and expenditure projections. Department budget requests 2026-2027 due from Department Heads.
- 13-29 Departmental meetings to discuss individual projections and 2026-2027 operational and CIP requests.
- 27 Regular Finance Committee meeting.

May 2026

- 6 Regular City Council meeting. City Council approval of budget guidelines and parameters; review of City Financial Policies. First review and input on 2026-2027 capital improvement projects.
- 12 Measure E Public Safety Tax Oversight Committee meeting to review 2025-2026 expenditures and 2026-2027 proposed budget. (Final Date TBD by Committee)

- 20 Regular City Council meeting. City Council review and consideration of special funds (Measure E, CalPERS, Economic Development)
- 29 Distribution of the City Manager's 2026-2027 recommended budget.

June 2026

- 2 Regular City Council meeting (note it is a Tuesday). First reading of City Manager's recommended budget to the City Council.
- 17 Regular City Council meeting. Public hearing, final consideration, and approval of 2026-2027 All-Funds City Budget. Final budget to include organizational goals guided by Strategic Planning initiatives.
- * Please note that regular Council meeting dates (1st and 3rd Wednesdays) often include discussion on individual funds, capital improvement, etc. This is intended to be an outline to help guide discussion but is subject to change.



Meeting Date: 01/26/2026
Agenda Item: 3

FINANCE COMMITTEE STAFF REPORT

REPORT TO: Chairman Staci Smith & Finance Committee Members
REPORT FROM: Alma Colado, Finance Director **REVIEWED BY:** AJH
AGENDA ITEM: Authorize Auditing Services to Bryant L. Jolley CPA for Fiscal Years ended June 30, 2026, 2027 and 2028.

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

Pursuant to Section 2.11 of the City Charter, the City is required to solicit new auditors every five years. The city currently uses Price Paige & Company for auditing services but has reached the need to solicit services. Staff sought proposals from qualified firm of certified public accountants to audit the City of Kingsburg’s financial statements beginning with the fiscal year ending June 30, 2026, with the option of auditing the City of Kingsburg’s financial statements for subsequent years. Staff has identified Bryant L. Jolley as the most qualified firm for the upcoming City’s Audit based on the firm’s background, experience and scope of services.

Their respective 3-year fees are listed as follows:

- Audit financial statements fees will not exceed \$50, 000 for fiscal year ended June 30, 2026, \$51,000 for 2027 and \$52,000 for 2028.
- State Controller’s Office Annual Cities Transactions report will be \$5,000 for the fiscal year ending June 30, 2026, 2027 and 2028.
- Preparation of Annual Street Report will be \$2,500 for the fiscal year ending June 30, 2026, 2027 and 2028.
- Preparation of Special District Financial Transactions Report will be \$1,000.
- Single Audit major program tested will be an additional \$6,000 for the first major program and \$2,500 for each additional program tested.
- Assistance with grant reconciliation, preparation of SEFA and services needed to prepare the ACFR will be billed out standard hourly rates.

Staff recommend that the Finance Committee approve the agreement for auditing services to Bryan L Jolley CPA. The firm has extensive experience providing services to local governments and is familiar with the City’s financial operations. For reference, the cost of auditing services for the fiscal year ending on June 30, 2024, was \$80,695.

RECOMMENDED ACTION BY FINANCE COMMITTEE

1. *The Finance Committee recommend the City Council enter into an agreement with Bryan L. Jolley for auditing services as required.*

POLICY ALTERNATIVE(S)

1. The Finance Committee could decide to not recommend agreement to Council.

REASON FOR RECOMMENDATION/KEY METRIC

1. Ensure Financial Stability

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|---------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |
| 3. If Budgeted, Which Line? | <u>Varies</u> |

ATTACHED INFORMATION

1. Engagement Letter

BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto

November 7, 2025

To the City Council and City Manager
City of Kingsburg
1401 Draper Street
Kingsburg, California 93631

We are pleased to confirm our understanding of the services we are to provide for the City of Kingsburg for the fiscal years ended June 30, 2026, 2027 and 2028.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of the City of Kingsburg as of and for the fiscal years ended June 30, 2026, 2027 and 2028. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the City of Kingsburg's basic financial statements. Such information, 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. As part of our engagement, we will apply certain limited procedures to the City of Kingsburg's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules
- 3) Schedule of the City's Proportionate Share of Net Pension Liability
- 4) Schedule of Contributions

We have also been engaged to report on supplementary information other than RSI that accompanies the City of Kingsburg's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

- 1) Schedule of expenditures of federal awards
- 2) Combining Balance Sheet – Nonmajor Governmental Funds
- 3) Combining Statement of Revenue, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds
- 4) Budgetary Comparison Schedules - Nonmajor Governmental Funds

The objectives of our audit 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 issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to

maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. 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, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Kingsburg's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the City of Kingsburg's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the City of Kingsburg's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will also assist in preparing the financial statements and related notes, proposing journal entries for GASB 68, GASB 87, GASB 96 and GASB 101 and the State Controller's Office Annual Cities' Financial Transaction Report of the City of Kingsburg in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to

refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review in October 2026.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP) You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the City Council; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bryant L. Jolley, CPA's and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Department of Transportation or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bryant L. Jolley, CPA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Department of Transportation. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Bryant L. Jolley, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately October 2026.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$50,000 for fiscal year ended June 30, 2026, \$51,000 for 2027 and \$52,000 for 2028. The State Controller's Office Annual Cities' Transactions report will be \$5,000 for the fiscal year ended June 30, 2026, 2027 and 2028, if prepared with audited numbers, otherwise billed per hour for follow-up questions due to the use of unaudited numbers. The preparation of the Annual Street Report will be \$2,500 for the fiscal year ended June 30, 2026, 2027 and 2028. The preparation of Special District Financial Transactions Report will be \$1,000. Each Single Audit major program tested will be an additional \$6,000 for the first major program and \$2,500 for each additional program tested. Assistance with grant reconciliation, preparation of SEFA and services needed to prepare the ACFR will be billed out our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered upon completion of the audit and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

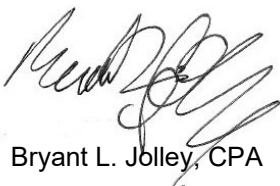
Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the City Council of the City of Kingsburg. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the City of Kingsburg and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Bryant L. Jolley, CPA

RESPONSE:

This letter correctly sets forth the understanding of the City of Kingsburg.

City Manager



Meeting Date: 01/26/2026
Agenda Item: 4

FINANCE COMMITTEE MEETING STAFF REPORT

REPORT TO: Chairperson Smith & Finance Committee

REPORT FROM: Christina Windover, Assistant City Manager **REVIEWED BY:** AJH

AGENDA ITEM: City Hall/Emergency Operations Center Project

ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

Staff hired local architecture, engineering, and interior design and project management firm, Integrated Designs by Soman to complete an Assessment and Conceptual Design for a new City Hall/Emergency Operations Center. The potential City Hall/Emergency Operations Center project would consist of a new City Council Chamber, office space and work areas for staff, restrooms, conference rooms, and spaces to support the facility. Phase one of the project includes site plans, floor plans, elevations, renderings, and conceptual cost estimates for the new facility. We have included a draft of the conceptual design as an attachment for the Committee's review. Phase two of the project would include architectural and engineering services including construction documents, plan approval, and bidding. We have included a proposal from Integrated Designs for Phase Two of the project.

Financial Information

In conjunction with the design aspect of the new City Hall project, Kingsburg staff has met with staff from the California Infrastructure and Economic Development Bank ("IBANK") to discuss financing for the project through the Infrastructure State Revolving Fund (ISRF) Program. This is the first time the City of Kingsburg would be applying for an IBank Infrastructure loan. The Financing would provide funds necessary to complete the City Hall/EOC Project, including but not limited to design, engineering, architecture, construction, landscaping, permitting, construction management, project administration, and general project development activities. Total estimated costs at this stage of design are approximately \$11.2 million. This does not include any solar energy and is assuming a full buildout of the parking lot and some of the surrounding site. The City has also secured federal earmark funding for the City Hall/EOC Project through the Ag-FDA bill sponsored by Congressman Costa in the amount of \$1,000,000.

The following is what we will need to submit to IBANK for a preliminary review of our application:

- Project description, including detailed explanation of each major component/Construction kick-off and completion timeline /Preliminary cost estimates/Contingency Amount /Feasibility Study Report
- The Repayment Fund (General Fund)'s historical 5-year ACFR
- Repayment Fund's future 5-year revenue projection with assumptions on each line item
- Information on debt related to the Repayment Fund that is repaying the debt, i.e., official statements/ Loan Agreements
- Provide the credit rating report
- Public Benefits from the Projects
- Complete the pre-application financing information form - Provide the General Fund Addendum
- Details on the leased assets the city will pledge. As discussed, the project itself could be the leased asset in which case capitalized interest will come into play, or any other unencumbered asset(s) that the borrower owns can also be the leased asset. If you have preliminary title reports on any of the

properties/land, please provide that as well.

- Other sources of financing for the project

IBANK will formally invite us to apply if their internal credit risk committee approves the preliminary review report which takes about 60-90 days to get IBank board approval for the project.

IBank issues their own ISRF bonds, and since they are AAA rated, their cost of funds tends to be lower. They pass those savings on to their borrowers. The interest rate is based on the Reuters MMD and their model includes Median housing Income, Unemployment Rate, Rating of the Fund, etc. Final interest rates are approved by the IBank Board when the loan is presented to the IBank Board. A 1% origination fee can be paid by the city or included in the loan amount. The term can go up to a 30-year term loan as long as the useful life of the project is 30 years or more. If the loan repayment source is the general fund, we do a lease-leaseback structure. The City can use the project building itself (Capitalized interest comes into play) or a different unencumbered building. ISRF Program Criteria is included in the packet for additional information.

While staff does not anticipate borrowing for the full costs of the project, we do want to get direction to move forward to provide the necessary documents to determine full borrowing cost scenarios.

RECOMMENDED ACTION BY FINANCE COMMITTEE

1. *Staff is seeking input and direction from the Finance Committee regarding the current City Hall/EOC design and direction with regards to gathering documents to allow IBank to complete a preliminary review.*

POLICY ALTERNATIVE(S)

1. The Finance Committee could choose to provide alternative direction to staff.

REASON FOR RECOMMENDATION/KEY METRIC

1. Preserve the Kingsburg Experience
2. Community Engagement

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|---------------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |
| 3. If Budgeted, Which Line? | <u>CIP \$60,000</u> |

BACKGROUND INFORMATION

City Council discussed a new City Hall facility as part of their 5-year Strategic Plan workshop sessions.

The City of Kingsburg received five proposals in response to our RFP for a City Hall Space Needs Assessment. After reviewing each proposal, staff recommended Griffin Structures as the most complete response to our RFP. The costs proposed were significantly greater than originally planned and budgeted for, therefore the Finance Committee directed staff to negotiate with Griffin Structures to ensure the scope and costs proposed effectively meet our needs. Their revised proposal included a reduced scope of upfront services, considering the desire to focus on a new location rather than extensive review of existing facilities. This resulted in a 12% reduction from the original fee, bringing it down to \$109,500 from \$125,000.

The Finance Committee reviewed the proposal from Griffin Structures and recommended staff seek direction from the Council on whether to move forward with the revised scope Space Needs Assessment for City Hall. During the City Council Meeting, council members expressed concern regarding the reduced cost of the Space Needs Assessment but ultimately directed staff to finalize an agreement with Griffin Structures for Council approval at a future meeting. After the meeting, staff received a reference for a local architecture, engineering,

and interior design and project management firm, Integrated Designs by Soman Inc. Staff met with the firm to discuss our project needs and received a proposal for a site needs assessment for a new City Hall.

The Integrated Designs proposal included three phases of work:

1. Assessment and Conceptual Design – pricing determined based on whether the city wants a unique conceptual design or an existing conceptual design.
2. Construction documents/plan approval/bidding
3. Construction administration

Integrated Designs proposal fees range from \$45,000 (existing design) to \$60,000 (new conceptual design). Fees for Phase Two and Three would be determined based on the design scope chosen by the city.

The Finance Committee and City Council directed staff to move forward with the scope of work proposed by Integrated Designs by Soman for the City Hall Space Needs Assessment.

ATTACHMENTS

1. City Hall/Emergency Operations Center Conceptual Design Package
2. City Hall/Emergency Operations Center Conceptual Design Cost Estimate
3. City Hall/Emergency Operations Center – Phase Two Proposal & Timeline
4. ISRF Program Criteria



NEW CITY HALL / EMERGENCY OPERATIONS CENTER CONCEPTUAL DESIGN PACKAGE

JANUARY 16, 2026

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Cover Sheet

NEW CITY HALL / EMERGENCY OPERATIONS CENTER



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01/16/2026



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PARCEL MAP

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Parking	
Visitor Stalls	44
ADA Stalls	2
Staff Stalls	82
ADA Stalls	4
E.V. Stalls	4



Scale: 1" = 40'-0"



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Site Plan

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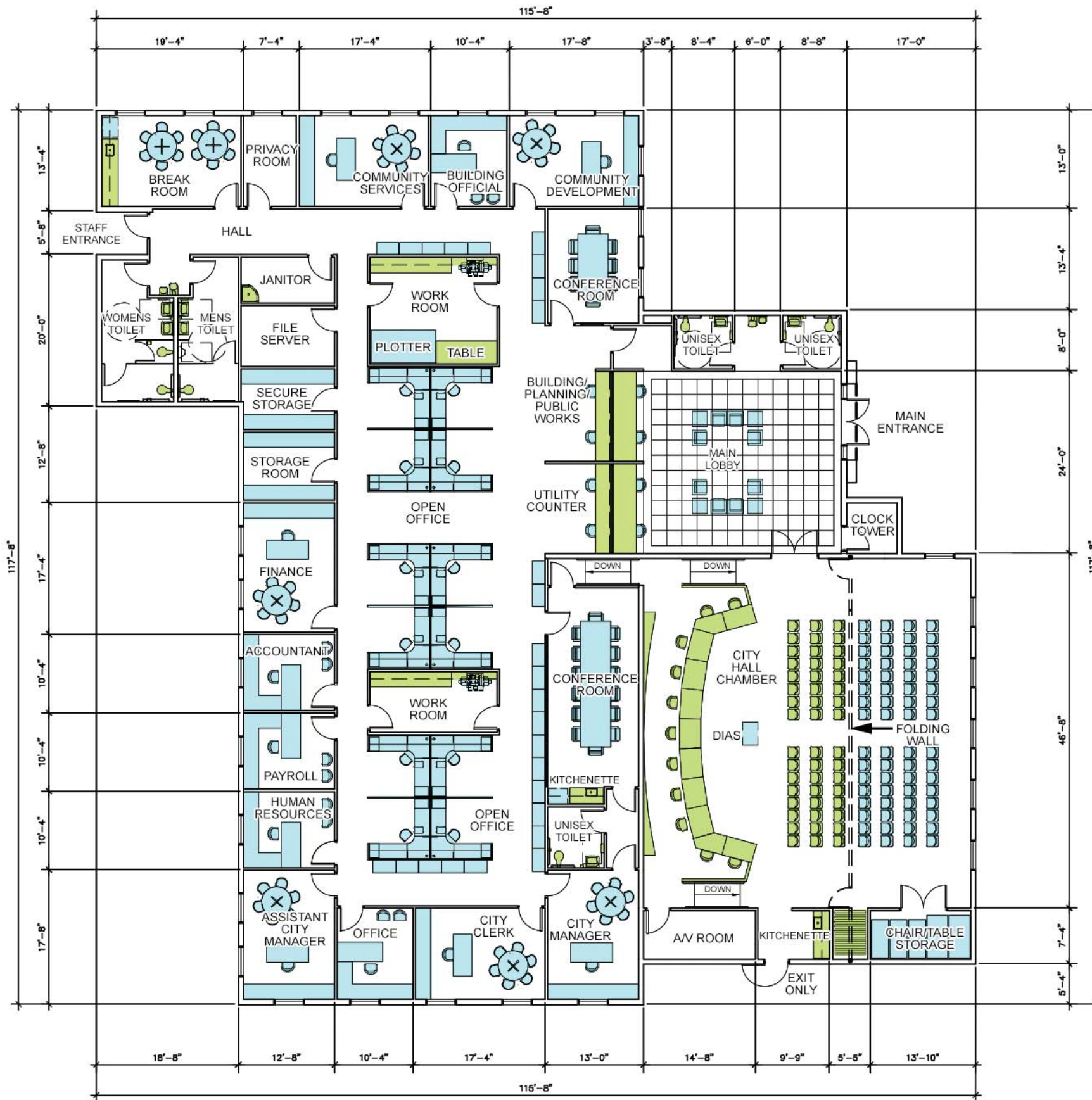
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WORKSPACE TABULATION		
Space Type	Approx. Size	Total Staff
City Manager	12'-0" x 17'-0"	1
City Clerk	17'-0" x 12'-0"	1
Office	10'-0" x 12'-0"	1
Assistant City Manager	12'-0" x 17'-0"	1
Human Resources	12'-0" x 10'-0"	1
Payroll	12'-0" x 10'-0"	1
Accountant	12'-0" x 10'-0"	1
Finance	12'-0" x 17'-0"	1
Community Services	17'-0" x 12'-0"	1
Building Official	10'-0" x 12'-0"	1
Community Development	17'-0" x 12'-0"	1
Work Stations	8'-0" x 8'-0"	12
Utility Counter	8'-8" x 14'-0"	2
Bld. Planning / Public Works	8'-8" x 9'-8"	-
Total Staff		25
CONFERENCE ROOM SEATING		
Conference Room	12'-0" x 15'-0"	8
Total Seating		8
COUNCIL CHAMBERS SEATING		
Council Chambers	28'-4" x 46'-0"	112
Council Dias	14'-8" x 46'-0"	11
Conference Room	12'-0" x 28'-6"	14
Total Seating		137

TOTAL FLOOR: 10,268 S.F.

LEGEND

	FURNITURE FURNISHED BY OWNER
	BUILT-IN FIXTURES / CABINETS



Scale: 1/16" = 1'-0"



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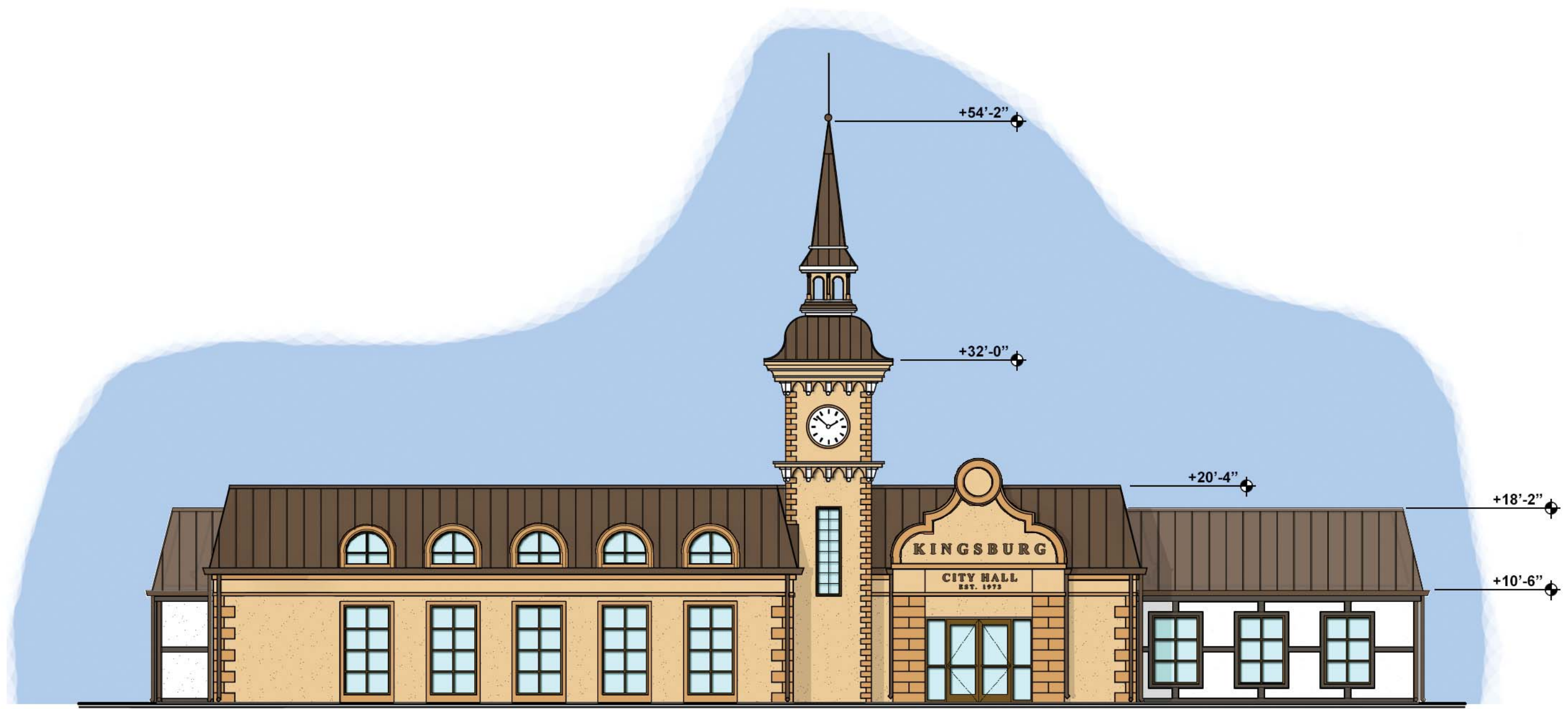
Floor Plan

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EAST VIEW



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Elevation

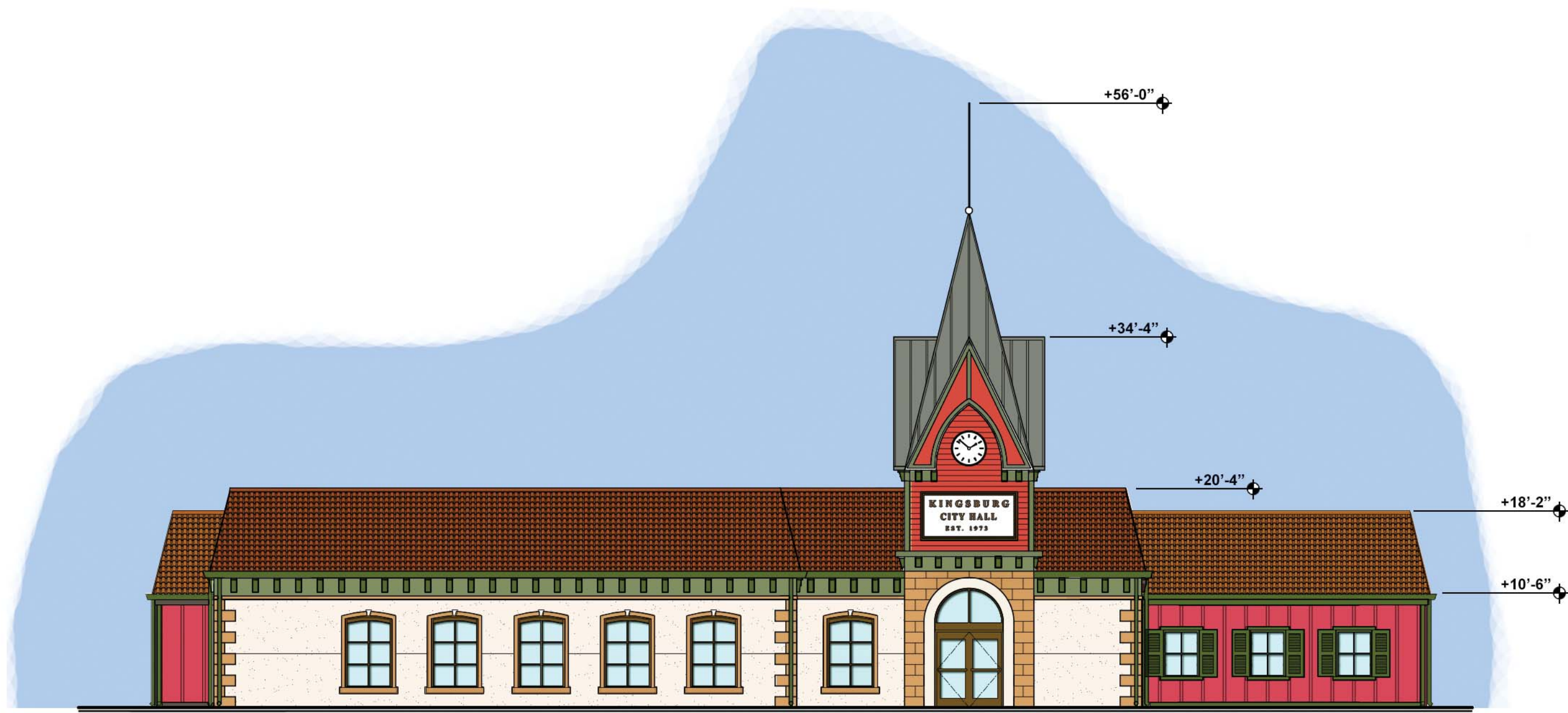
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EAST VIEW



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Elevation

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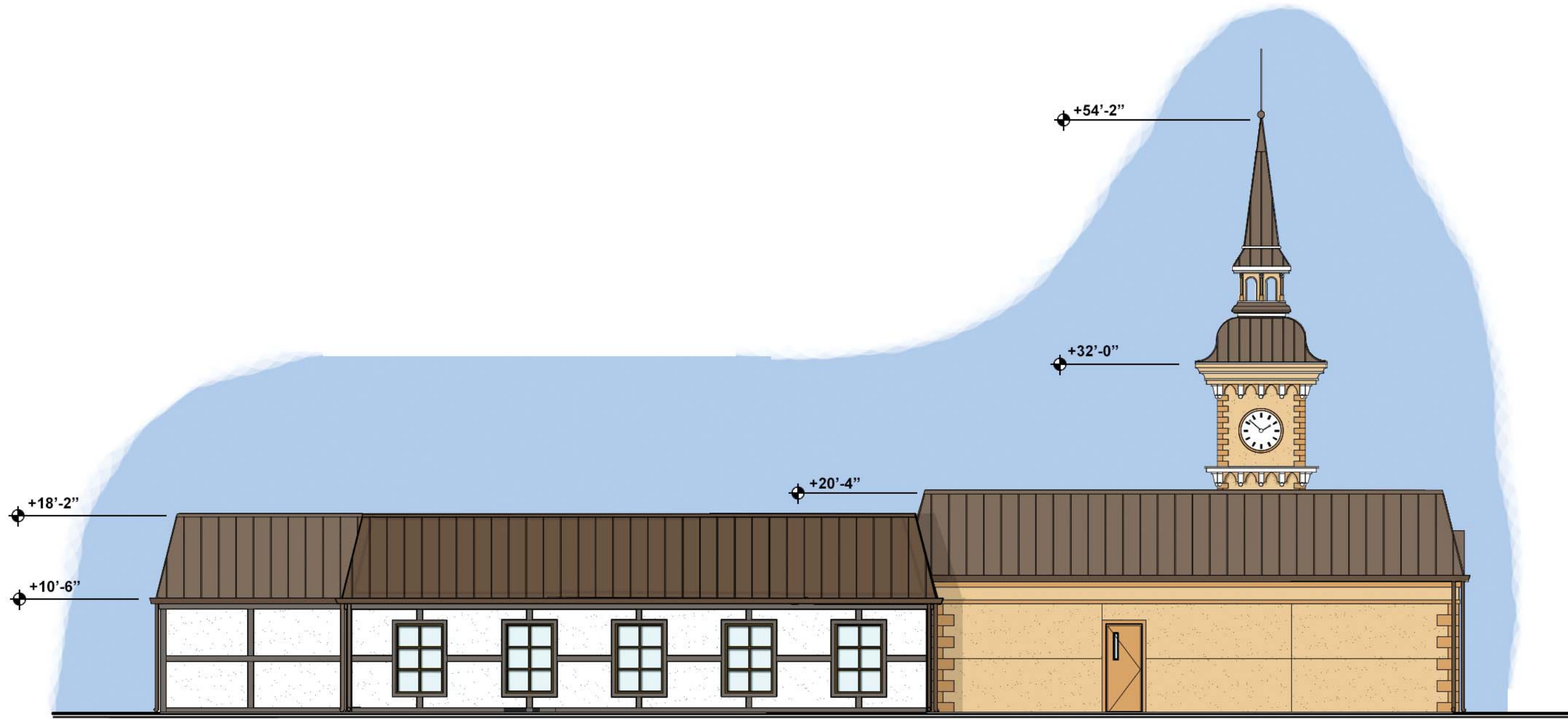
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SOUTH VIEW



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Elevation

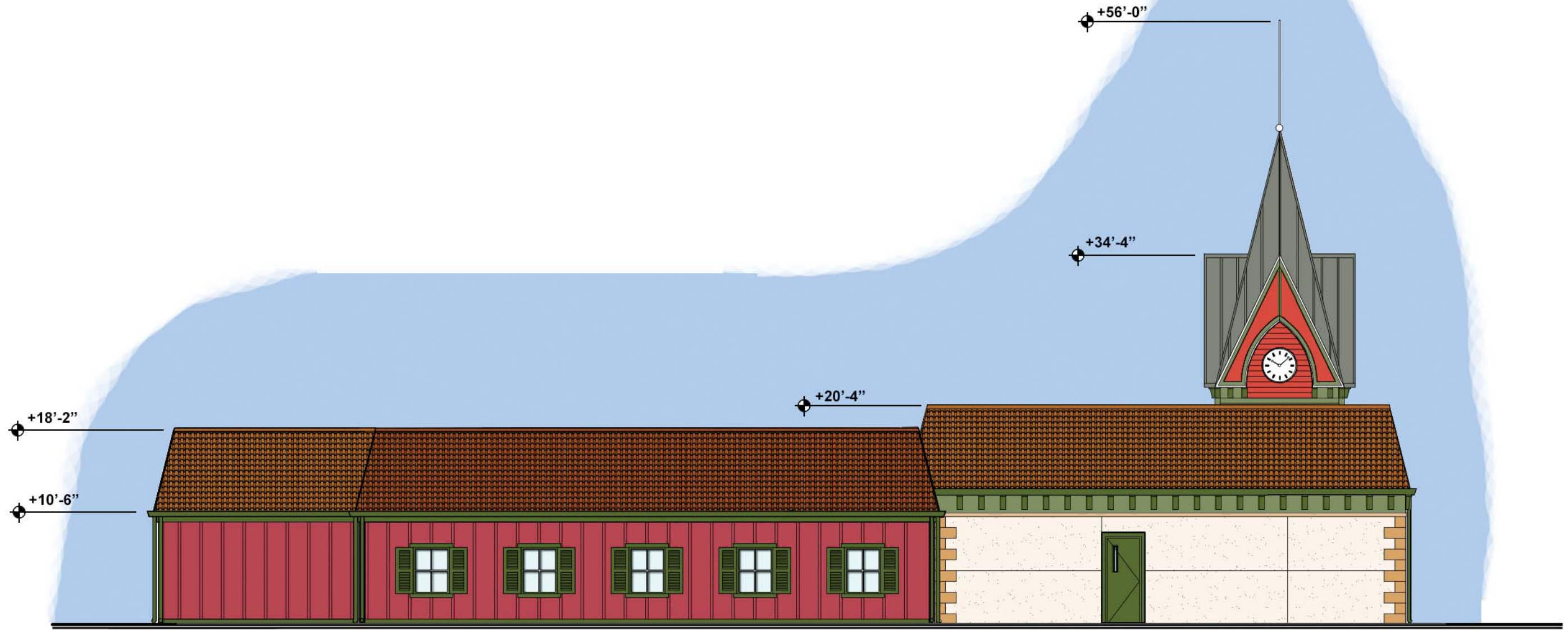
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SOUTH VIEW



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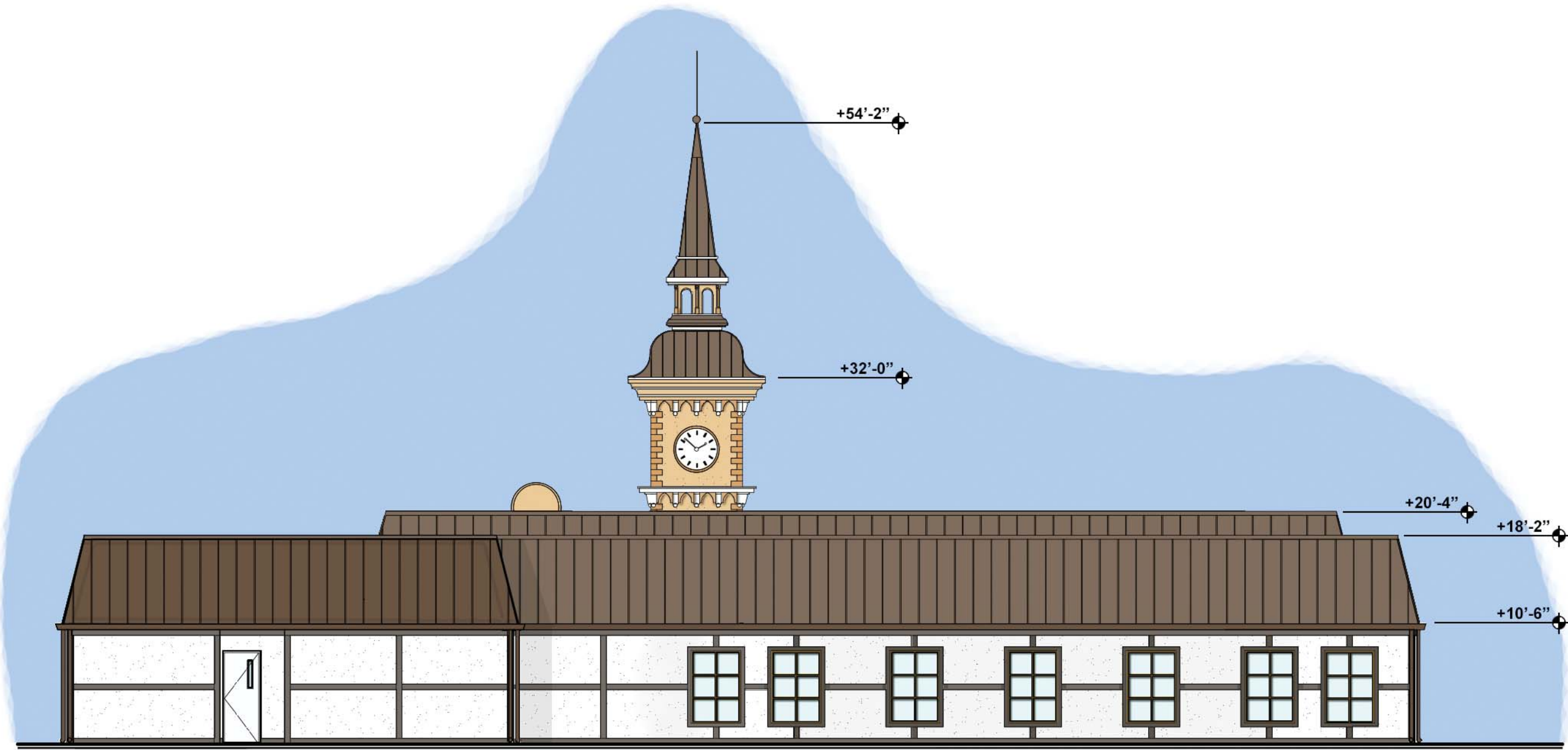
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WEST VIEW



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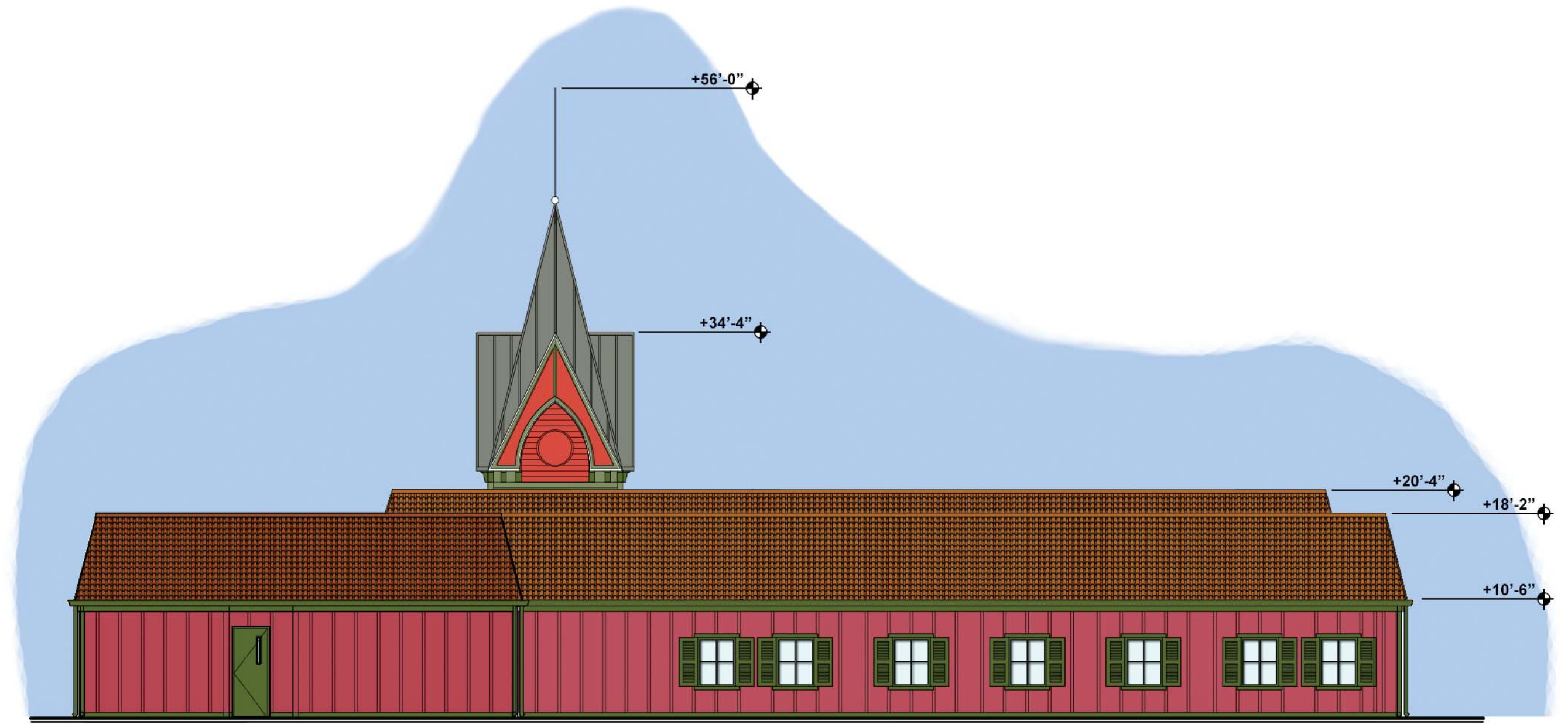
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WEST VIEW



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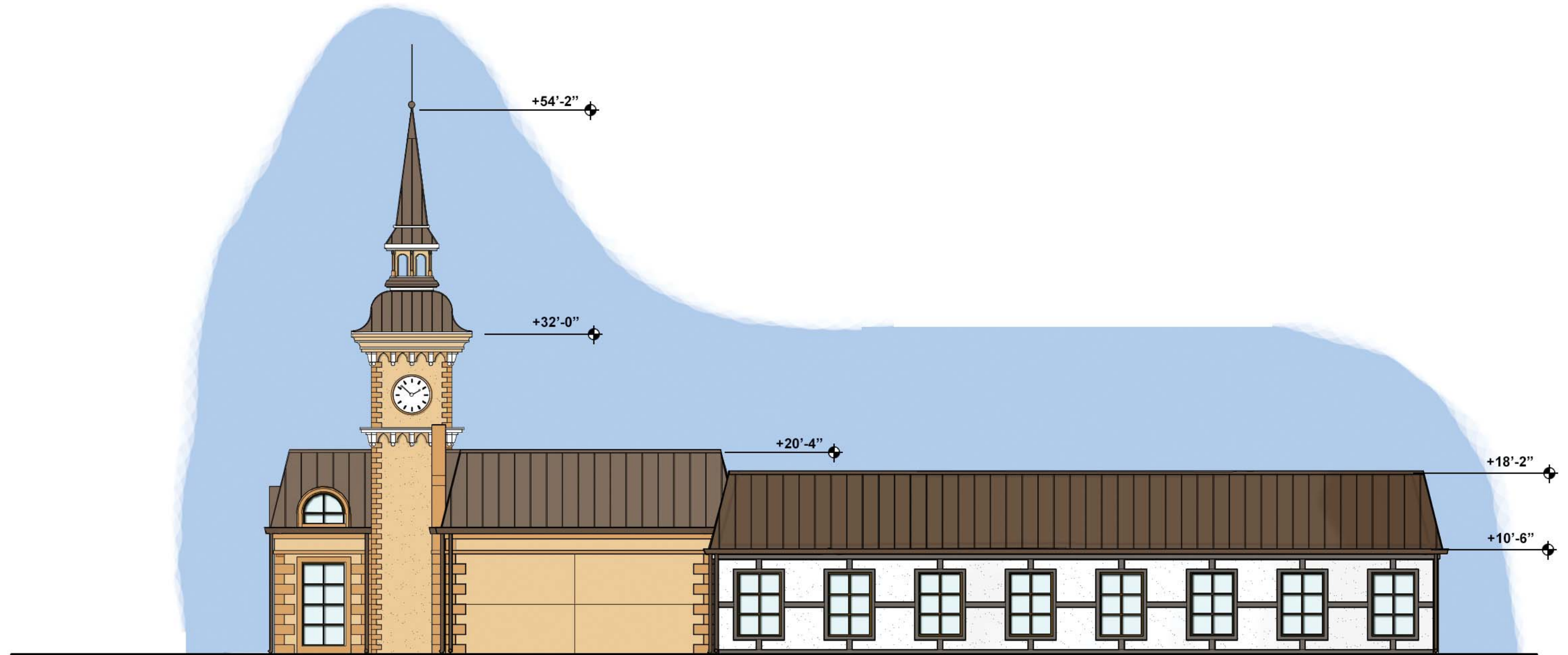
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NORTH VIEW



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Elevation

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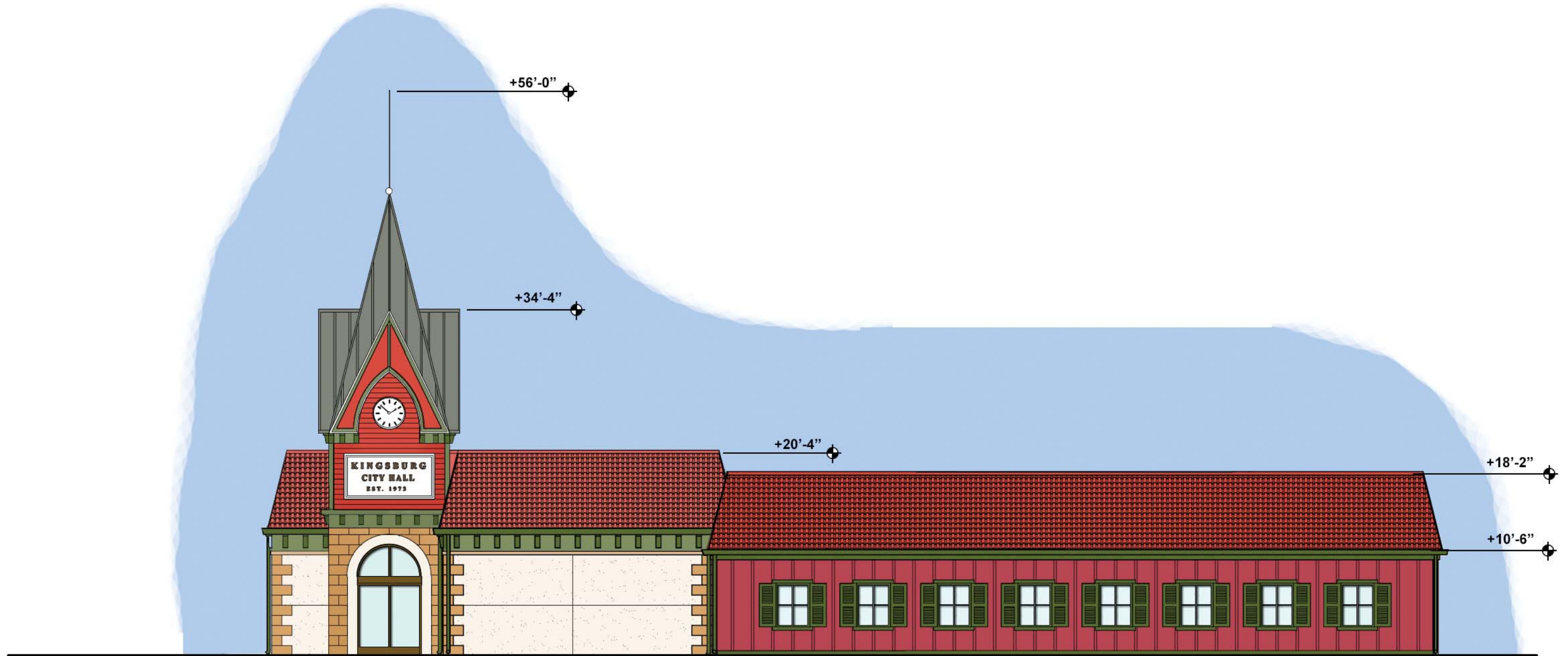
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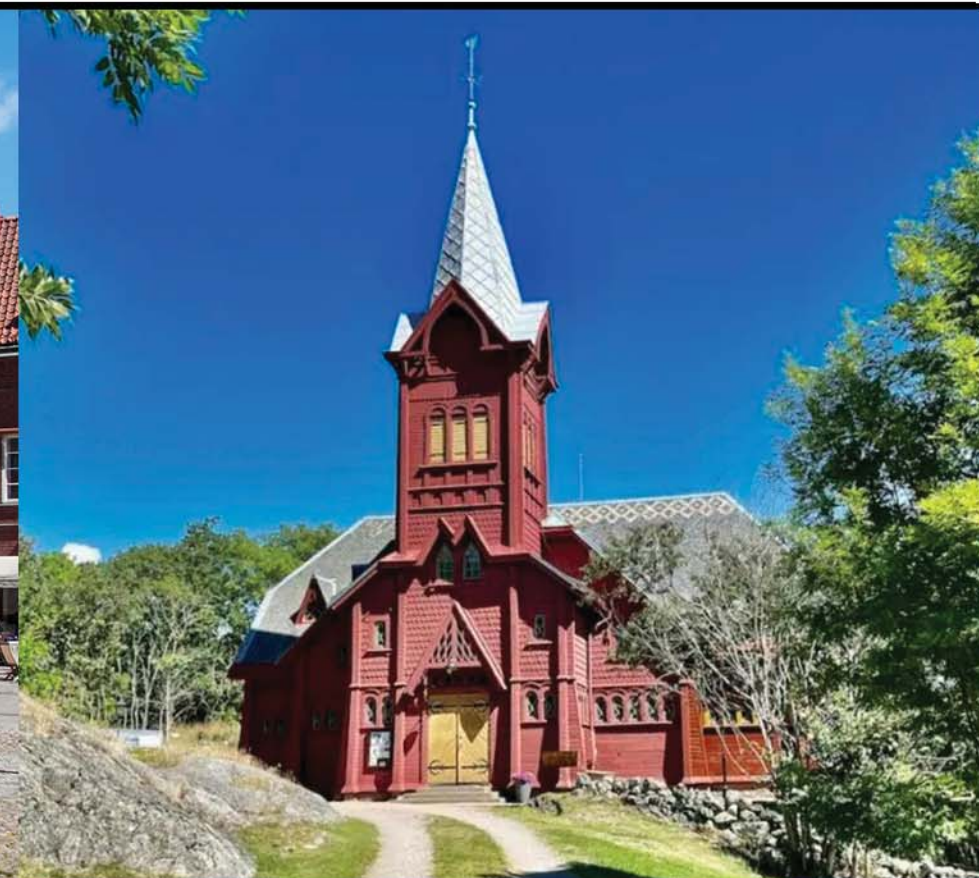
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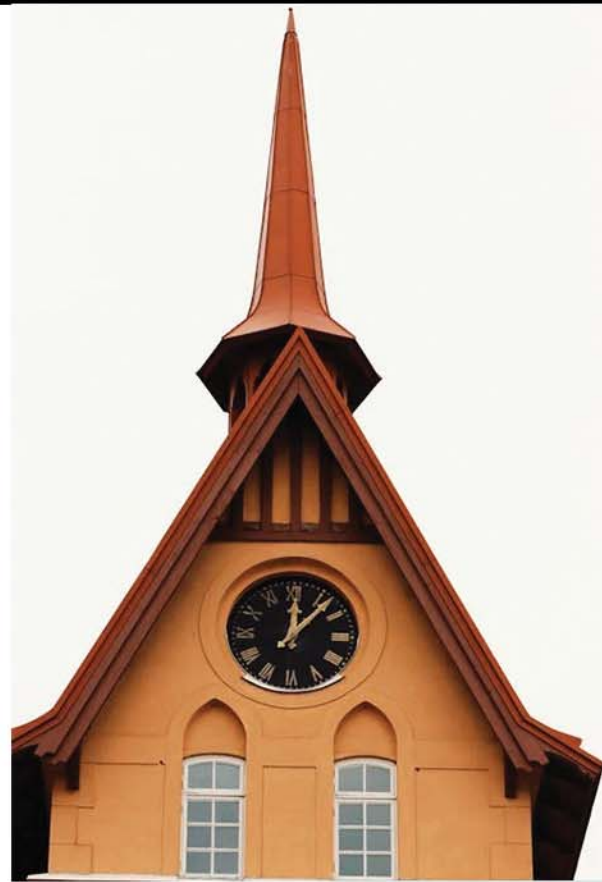
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Kingsburg New City/Emergency Operations Center

Date: January 14, 2026

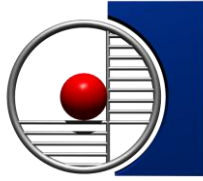
Preliminary Budget	Quantity	Unit	Unit Cost	Total
Off Site				
Clear & grub	13128	SF	0.81	10,634
Rough grading	13128	SF	0.53	6,958
Road cut & fill	950	CY	4.77	4,532
Scarify & compact	13128	SF	1.27	16,673
Curb and gutter	650	LF	47.56	30,914
AC paving	13100	SF	9.32	122,092
Concrete Walk	1633	SF	25.70	41,968
Striping	650	LF	2.11	1,372
Bus stop	1	LS	2000.00	2,000
Sewer	270	LF	90.17	24,346
Water	270	LF	62.50	16,875
Storm drain	270	LF	99.77	26,938
Power	270	LF	150.00	40,500
Data	270	LF	125.00	33,750
				\$ 379,550
SITE DEVELOPMENT				
Clear & grub	88642	SF	0.81	71,800
Rough grading	88642	SF	0.53	46,980
fine grading	88642	SF	0.88	78,005
Fire lane cut & fill	1889	CY	4.77	9,011
Building cut & fill	998	CY	32.92	32,854
Scarify & compact	88642	SF	1.27	112,575
Curb and gutter	2767	LF	47.56	131,599
ADA Ramp w/ Truncated Domes	8	EA	650.00	5,200
Drive approach	670	SF	35.75	23,953
AC paving fire lane	16945	SF	9.32	157,927
AC Paving	30630	SF	6.58	201,545
Striping	27687	LF	1.01	27,964
Decorative Fence	825	LF	200.00	165,000
Man Gate	2	EA	2,936.90	5,874
Rolling gate	2	EA	5,873.81	11,748
Concrete Walk	5580	SF	25.70	143,406
Mow Strip	825	SF	25.70	21,203
Signs	8	EA	408.26	3,266
Flag pole	1	EA	9763.21	9,763
monument	1	LS	10000.00	10,000
Generator 150 kw	1	LS	155,735.19	155,735
Trash enclosure	1	LS	10,000.00	10,000
Site water	150	LF	62.50	9,375
Site fire water	150	LF	62.50	9,375
Site irrigation water	100	LF	62.50	6,250
Back flow, thrust blocks for all water utilities	3	EA	1,500.00	4,500
Storm Drain	900	LF	99.77	89,793
Site sewer	400	LF	90.17	36,068
New PG&E service	1	LS	49588.00	49,588
Site power	1	LS	150000.00	150,000
Light poles	47575	SF	3.12	148,434
irrigation	22166	SF	4.38	97,087
Landscape-grass	13322	SF	2.44	32,506
Ground cover, shrubs	5030	SF	1.07	5,382
Tree	21	EA	2957.70	62,112
				2,135,877
BUILDING				
Footings	92	CY	1274.37	117,242
SOG	10392	SF	17.00	176,664
Structural Steel	10392	SF	52.18	542,255

Exterior Walls	6539	SF	19.97	130,584
Interior Walls	8228	SF	17.66	145,306
Hard Lids	495	SF	17.49	8,658
Plywood Shear Walls	66	MBF	6110.13	403,269
Roof Deck	10000	SF	9.89	98,900
Roof- Single ply	100	SQ	1025.64	102,564
Roof- Metal	3250	SF	28.58	92,885
Roof insulation	10392	SF	4.21	43,750
Insulation Exterior Walls	6539	SF	1.74	11,378
Insulation Sound	500	SF	1.13	565
Cement Plaster	727	SY	349.36	253,985
Run Mold at parapets and frames	500	LF	100.81	50,405
Gyp Board- Wall	22485	SF	7.08	159,194
Gyp Board- Ceiling	495	SF	5.40	2,673
Storefront Doors glazing system	100	SF	84.17	8,417
Storefront Doors	2	EA	3887.68	7,775
Hollow Metal Door- Exterior	6	EA	1675.31	10,052
Interior solid core doors, pre hung	30	EA	424.51	12,735
Hollow Metal Doors and Frames 3x7	6	EA	873.49	5,241
Hollow Metal Doors and Frames 6x7	3	EA	765.69	2,297
Door hardware	37	EA	626.16	23,168
Windows	33	EA	606.90	20,028
Paint Exterior	5654	SF	2.89	16,340
Paint walls, ceiling	22845	SF	2.19	50,031
Paint doors and frames	36	EA	165.00	5,940
Casework lower w/ counter top	140	LF	367.69	51,477
Upper casework	50	LF	290.01	14,501
Building Signs per letter	24	EA	146.85	3,524
Room Signs	45	EA	26.68	1,201
T-bar ceiling	8960	SF	12.49	111,910
Ceramic Tile- floor	543	SF	23.16	12,576
Ceramic Tile- wall	2011	SF	23.29	46,836
Carpet	877	SY	49.20	43,148
RTB	1640	LF	5.02	8,233
Sheet vinyl	30	SY	110.00	3,300
Toilet Partitions	3	EA	1502.97	4,509
Urinal Screen	1	EA	666.37	666
Toilet Accessories, incl. install	31	EA	348.66	10,808
Water	10392	SF	4.65	48,323
Sewer	10392	SF	3.45	35,852
Gas	10392	SF	2.23	23,174
Plumbing fixtures in place	21	EA	7595.10	159,497
Water heater10827.	1	EA	10828.00	10,828
HVAC	10392	SF	54.89	570,417
Electrical Work	10392	SF	50.04	520,016
Lighting Fixtures	10392	SF	7.16	74,407
Low Voltage- Data	10392	SF	20.15	209,399
Fire Alarm	10392	SF	20.15	209,399
Fire Riser- alarm and valves	1	EA	7469.62	7,470
Fire Sprinklers	10392	SF	12.36	128,445
				4,812,215

	Subtotal:	\$	7,327,642
	General Conditions:	15%	\$1,099,146
	General Contractor Overhead & Profit:	15%	1,099,146
	Total Hard Cost (Construction Cost)	\$	9,525,935

	Soft Cost- DSA, A&E, Testing, Inspection, Furniture:	15%	1,428,890
	Project Contingency:	3%	285,778
	Total Project Cost:	\$	11,240,603

Solar not included.



integrated designs by SOMAM, Inc.

Architecture • Engineering • Interior Design • Project Management

6011 N. Fresno St. Suite 130 ▪ Fresno, California 93710

Phone (559) 436-0881 ▪ Fax (559) 436-0887

E-Mail: design@somam.com

PROPOSAL

DATE: January 21, 2026

**TO: Alexander Henderson
City of Kingsburg**

FROM: Curtis Flynn

**RE: Phase Two – Construction documents/plan approval/bidding
Architectural fee proposal for the new City Hall/Emergency Operations Center**

Our Architectural fee proposal for Phase Two – construction documents / plan approval / bidding for the new City Hall/Emergency Operations Center for the City of Kingsburg is as follows:

Scope of work

The project scope of work for Phase Two consists of the design development, construction documents, agency approval, and bidding for a new City Hall/Emergency Operations Center on a City owned 3-acre parcel.

The new City Hall/Emergency Operations Center will consist of new City Council chambers, offices for the city manager and department heads, offices and work areas for staff, conference rooms, restrooms, and related spaces to support the facility. Also, the development of the site includes site utilities, parking, and landscaping.

Final construction documents will be provided that will include plans and specifications for the bidding and construction of the project.

Phases of work

Our fee will be separated into three phases as follows:

Phase One – Assessment and Conceptual Design - Complete

An assessment of facility needs will be conducted with City Staff and a conceptual design package prepared.

Phase Two – Construction documents/ plan approval/ bidding

Complete the design development of the project. Prepare construction documents and specifications including architectural, civil engineering, structural engineering, plumbing engineering, mechanical engineering, electrical engineering, fire protection engineering, and landscaping and irrigation. Update cost estimates. Obtain city agency department approvals. Assist the city with bidding the project

Phase Three – Construction administration

Once phase two is completed and the city wishes to proceed with the construction of the project. We would then provide an architectural and engineering fee for the following:

Construction administration service including construction meetings, processing RFI's, submittals, change orders, punch lists, and close out documents.

Fees:

Phase One - Complete

Option One: \$60,000 (new and unique design) – Approved/complete

Phase Two

Phase One conceptual design is complete per the conceptual design package dated January 16, 2026.

The estimated construction cost for the conceptual design is \$9,525,935.

Our fee for Phase Two for design development, construction documents, and bidding is a flat fee as follows:

Design Development:	\$ 114,311
Construction Documents:	\$ 381,037
<u>Agency approval and Bidding:</u>	<u>\$ 38,103</u>
Total:	\$ 535,451

Phase Three

The fee will be prepared and submitted to the city for approval once Phase Two has been completed and the bid has been awarded.

Additional services

Additional services will be per the city standard agreement and our hourly rates as follows:

HOURLY TIME

Principal	\$185.00/Hour
Professional	\$150.00/Hour
Sub-Professional	\$ 90.00/Hour
Clerical	\$ 60.00/Hour

Schedule:

It is anticipated that Phase Two will take approximately 9 to 12 months to complete once the notice to proceed is given.

Items to be furnished by the city

- Topo Survey
- Soils Report
- Testing labs
- Title report
- As-Built Drawings
- City Fees
- Fire Hydrant Tests

We would be happy to meet with you to discuss the fees in more detail and to answer any questions you may have.

Thank you,

Curtis Flynn

Kingsburg New City Hall/Emergency Operations Center

PROJECT SCHEDULE

1/21/26

Phase two	2026												2027												2028		
	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	
Design Development (2-3 months)	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
Construction documents (4-6 months)				█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
City submittal and approval (1-3 months)										█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	
Bid and award project (1-2 months)													█	█	█	█	█	█	█	█	█	█	█	█	█	█	
Construction (12 months)															█	█	█	█	█	█	█	█	█	█	█	█	

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City of Kingsburg
1401 Draper St.
Kingsburg, CA 93631

Project Schedule

NEW CITY HALL / EMERGENCY OPERATIONS CENTER



integrated designs
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ARCHITECTURE • ENGINEERING • INTERIOR DESIGN
PROJECT MANAGEMENT
Phone (559)436-0881 • www.integrateddesigns.com



CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

CRITERIA, PRIORITIES, AND GUIDELINES

**FOR THE SELECTION OF PROJECTS FOR FINANCING
UNDER**

**THE INFRASTRUCTURE STATE REVOLVING FUND (ISRF)
PROGRAM**

Date Effective: June 28, 2023

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**CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK
(IBank)**

**CRITERIA, PRIORITIES, AND GUIDELINES FOR THE SELECTION OF
PROJECTS FOR FINANCING UNDER
THE INFRASTRUCTURE STATE REVOLVING FUND (ISRF) PROGRAM**

Date Adopted: June 28, 2023

I. ELIGIBILITY CRITERIA

A. Introduction

The California Infrastructure and Economic Development Bank (“IBank”) was created to serve a variety of public purposes including providing an accessible low-cost financing option to eligible borrowers for a wide range of infrastructure projects. To meet this important public purpose, IBank developed its Infrastructure State Revolving Fund (“ISRF Program”). ISRF Program financing is available in amounts from \$1,000,000 to \$65,000,000, with terms of up to 30 years. The interest rate for each financing is set at the time the financing is approved. Applications are accepted on a continuous basis.

To leverage the assets within the ISRF Program, IBank, from time-to-time, issues Infrastructure State Revolving Fund Revenue Bonds (“ISRF Program Bonds”) secured by ISRF Program financings (“ISRF Financing” or “Financing”) and other assets under the ISRF Program.

B. Authority

The eligibility criteria and other program requirements for the Infrastructure State Revolving Fund Program (“ISRF Program”) set forth in these “Criteria, Priorities, and Guidelines for the Selection of Projects for Financing Under the Infrastructure State Revolving Fund Program” (the “Criteria”) are based on the provisions of Chapters 1-2 of Division 1 of Title 6.7 of the Government Code of the State of California, commencing with Section 63000 (the “IBank Act”) as amended and restated as of the date of the adoption.

Subsequent to the date of the adoption of the Criteria, whenever provisions of the IBank Act are changed such that specific provisions of the Criteria are inconsistent with the applicable provisions of the IBank Act, the requirements of the IBank Act shall govern.

The IBank Board periodically reviews, modifies, and adopts the Criteria as policy and authorizes the Executive Director to maintain, disclose, and circulate the guidelines and procedures detailed in **Exhibit A** for the benefit of potential applicants, borrowers, and the general public.

C. Applicants

Applicants must meet one of the following definitions:

For All Projects:

For projects that fall under the section titled “Projects” below, whether “Public Development Facilities” or “Economic Development Facilities”, the applicant may be any subdivision of a state or local government, including departments, agencies, commissions, cities, counties, nonprofit corporations formed on behalf of an applicant, special districts, assessment districts, and joint powers authorities within the state or any combination of these subdivisions that makes application to IBank for financial assistance in connection with a project in a manner prescribed by IBank. Such applicant is considered a “Sponsor” for purposes of these Criteria.

In addition, when applied for in conjunction with a Sponsor for the purpose of implementing a Project, an eligible applicant may be any person, company, corporation, association, state or municipal governmental entity, partnership, firm, or other entity or group of entities, whether organized for profit or not for profit, engaged in business or operations within the state. Such applicant is considered a “Participating Party” for purposes of these Criteria.

Whether the Sponsor is the applicant, or supporting the application of a Participating Party, prior to submission of an application the Sponsor shall issue a resolution in accordance with section III(G) below. A Sponsor supporting an application from a Participating Party is not required to have an ownership interest in the subject Project. A Sponsor is also not required to guarantee an ISRF Financing made to a Participating Party.

D. Projects

“Project” generally means costs associated with designing, acquiring, planning, permitting, entitling, constructing, improving, extending, restoring, financing, and generally developing facilities within the state and would include real and personal property, structures, conveyances, equipment, thoroughfares, buildings and supporting components thereof, excluding any housing, directly related to providing any of the following:

PUBLIC DEVELOPMENT FACILITIES

1. City Streets including any street, avenue, boulevard, road, parkway, drive, or other way that is one of the following: An existing municipal roadway; or the project is shown upon a plat approved pursuant to law and includes the land between the street lines, whether improved or unimproved, and may comprise pavement, bridges, shoulders, gutters, curbs, guardrails, sidewalks, parking areas, benches, fountains, plantings, lighting systems, and other areas within the street lines, as well as equipment and facilities used in the cleaning, grading, clearance, maintenance, and upkeep thereof.
2. County Highways including any county highway as defined in Section 25 of the Streets and Highways Code, that includes the land between the highway lines, whether improved or unimproved, and may comprise pavement, bridges, shoulders, gutters, curbs, guardrails, sidewalks, parking areas, benches, fountains, plantings, lighting systems, and other areas within the street lines, as well as equipment and facilities used in the cleaning, grading, clearance, maintenance, and upkeep thereof.
3. Drainage, Water Supply, and Flood Control including but not limited to ditches, canals, levees, pumps, dams, conduits, pipes, storm sewers, and dikes necessary to keep or direct water away from people, equipment, buildings, and other protected areas as may be established by lawful authority, as well as the acquisition, improvement, maintenance, and management of flood plain areas and all equipment used in the maintenance and operation of the foregoing.
4. Educational Facilities including libraries, child care facilities, including, but not limited to, day care facilities and employment training facilities. Also including facilities for laboratories, administration centers, student service buildings, athletic complexes and public parking facilities.
5. Environmental Mitigation Measures including required construction or modification of public infrastructure, and purchase and installation of pollution control and noise abatement equipment.
6. Parks and Recreational Facilities including local parks, recreational property and equipment, parkways and property.
7. Port Facilities including airports, landports, waterports, railports, docks, harbors, ports of entry, piers, ships, small boat harbors and marinas, and any other facilities, additions, or improvements in connection therewith, that transport goods or persons.

8. Power and Communications including facilities for the transmission or distribution of electrical energy, natural gas, and telephone and telecommunications services as well energy conservation measures. Also including facilities for the generation or storage of electrical energy as well as for energy conservation measures.
9. Public Transit including air and rail transport, airports, guideways, vehicles, rights-of-way, passenger stations, maintenance and storage yards, and related structures, including, public parking facilities, equipment used to provide or enhance transportation by bus, rail, ferry, or other conveyance, either publicly or privately owned, that provides to the public general or special service on a regular and continuing basis.
10. Sewage Collection and Treatment including pipes, pumps, and conduits that collect wastewater from residential, manufacturing, and commercial establishments, the equipment, structures, and facilities used in treating wastewater to reduce or eliminate impurities or contaminants, and the facilities used in disposing of or transporting remaining sludge, as well as all equipment used in the maintenance and operation of the foregoing. Also including facilities for the recycling of or facilitating the alternative use of remaining sludge and for maintenance and operation of such facilities.
11. Solid Waste Collection and Disposal including vehicles, vehicle-compatible waste receptacles, transfer stations, recycling centers, sanitary landfills, and waste conversion facilities necessary to remove solid waste, except that which is hazardous as defined by law, from its point of origin. Also including equipment in connection with the foregoing.
12. Water Treatment and Distribution including facilities in which water is purified and otherwise treated to meet residential, manufacturing, or commercial purposes and the conduits, pipes, and pumps that transport it to places of use.
13. Defense Conversion including but not limited to facilities necessary for successfully converting military bases consistent with an adopted base reuse plan.
14. Public Safety Facilities including but not limited to police stations, fire stations, court buildings, jails, juvenile halls, and juvenile detention facilities.
15. State Highways including any state highway as described in Chapter 2 (commencing with Section 230) of Division 1 of the Streets and Highways Code, and the related components necessary for safe operation of the highway.

16. Military Infrastructure including but not limited to facilities on or near a military installation that enhance the military operations and mission of one or more military installations in this state. To be eligible for funding the project shall be endorsed by the Office of Planning and Research. "Military installation" means any facility under the jurisdiction of the Department of Defense, as defined in paragraph (1) of subsection (e) of Section 2687 of Title 10 of the United States Code.
17. Goods Movement-related Infrastructure including port facilities, roads, rail, and other facilities and projects that move goods, energy and information.
18. Housing-related Infrastructure including city streets; drainage, water supply, and flood control; environmental mitigation measures; power and communications; public transit improvement that directly supports transit-oriented housing; sewage collection and treatment; and water treatment and distribution.

ECONOMIC DEVELOPMENT FACILITIES:

19. Economic Development Facilities including industrial, recreational, research, commercial, utility, goods movement, or service enterprise facilities, community, educational, cultural, or social welfare facilities and any parts or combination thereof, and all facilities or infrastructure necessary or desirable in connection therewith.

No funds from the ISRF Program may be used to finance any housing component of a Project.

California Lending for Energy and Environmental Needs (CLEEN) Project Designation:

All the project types listed above that utilize technologies or processes that advance state environmental policy goals can be designated a CLEEN Project by IBank. Applicants for such designation must indicate the environmental policy goal being advanced by their proposed project. IBank will determine whether the technology or process used by the Applicant sufficiently advances the applicable state environmental policy goals to receive the CLEEN designation. IBank may consult with the respective state agency best positioned to make this determination when necessary. Based on these and other policy considerations, IBank may offer financial incentives to the Applicant for this project, as described in Section IV(G) below.

E. Costs

Eligible costs for financing include:

1. All or any part of the cost of construction, renovation, and acquisition of all lands, structures, real or personal property.
2. Rights, rights of way, franchises, licenses, easements, and interests acquired or used for a project.
3. The cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which the buildings or structures may be moved.
4. The cost of all machinery, equipment and financing charges.
5. Interest prior to, during, and for a period after, completion of construction, renovation, or acquisition, as determined by the IBank.
6. Provisions for working capital.
7. Reserves for principal and interest and for extensions, enlargements, additions, replacement, renovations, and improvements.
8. The cost of architectural, engineering, financial and legal services, plans, specifications, estimates, administrative expenses.
9. Other expenses necessary or incidental to determining the feasibility of any project or incidental to the construction, acquisition, or financing of any project.

II. THE FINANCING APPLICATION

A. Readiness and Timing.

Applicant must demonstrate project readiness and feasibility to complete construction within 2 years after the close of IBank's financing. In this context, "completion of the portion of the project financed by IBank means that it meets construction contract specifications for completeness and/or ability to operate.

B. Feasibility

In addition, project must meet feasibility requirements set forth below:

1. Permits

Applicant must provide evidence that it has applied for and/or received all necessary permits or approvals, if appropriate for the type of financing being considered, for the construction of the project.

2. Source of Financing Repayment

Eligible sources of financing repayment include, without limitation, the following:

- a. Water or Sewer Enterprise/Special Fund. Projects that will be part of a revenue-producing water or sewer enterprise system may repay ISRF Financings with revenues from the water or sewer enterprise/special fund.
- b. Other Enterprise/Special Fund. Other revenue producing enterprise systems such as ports, airports, solid waste systems, bridges, and parking facilities may be eligible if the proposed project and repayment stream are acceptable to IBank.
- c. General Fund Lease. ISRF Financings secured by leases of Borrower assets.
- d. Land Secured. ISRF Financings repaid with property taxes or property-related assessments.
- e. Voter-approved General Fund debt or other voter-approved debt secured by full faith and credit (General Obligation).
- f. Other sources of repayment and/or alternative financing structures may be considered by IBank at its discretion, including sales tax and other special taxes.

3. Project Funds.

IBank will require all project funding sources, other than IBank's financing, to be identified at the time of application and either be committed or have the likelihood of commitment firmly established prior to financing approval by IBank. IBank may also require additional reviews and evaluations (including by qualified third parties) of project feasibility and potential risks.

4. Prevailing Wages and Contractor Pre-Qualification.

Projects financed with IBank funds will be required to comply with Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code, including the payment of prevailing wages.

All borrowers that receive IBank financing above \$2 million, and that are also the entity awarding the construction contract, must pre-qualify contractors bidding on the IBank financed project using the model pre-qualification questionnaire approved by the Department of Industrial Relations (“DIR”) pursuant to AB 574 (Chapter 972 of the Statutes of 1999). The model questionnaire can be obtained from DIR’s website at: <http://www.dir.ca.gov/prequal.htm>

Borrowers may use an internally required contractor pre-qualification questionnaire if it substantially meets the intent of the model questionnaire as determined by IBank staff.

5. Business Relocation

ISRF financing shall not be used to facilitate the relocation of a private sector business from one political jurisdiction of the State to another without substantial justification deemed acceptable by IBank. Examples of justifications include, without limitation, (i) completion of the project is necessary to prevent relocation of substantial business operations outside the State; or (2) the needs of the private sector business cannot be accomplished within the current location.

III. APPLICATION PROCESS

A. Financing Application

Applications will be accepted on a continuous basis. However, during any period where application deadlines have been imposed by IBank, applicants must submit complete Financing Applications by an announced application deadline date in order for such applications to be considered.

The board-approved form of ISRF Program Financing Application, found on IBank’s website, requires detailed information and documentation about the applicant and the project in order to enable IBank to determine if the application complies with IBank’s Criteria, including its creditworthiness and underwriting criteria.

Prospective applicants are encouraged to contact IBank staff to schedule an initial meeting to discuss the Criteria and the Program, and IBank staff will determine whether to move forward with a Preliminary Review of the prospective applicant and the Project as described below.

B. Preliminary Review

If a prospective applicant and Project appear eligible for financing under the Criteria, IBank Staff will perform a more detailed financial analysis of the Project, financing needs, and the applicant's ability to repay a loan, and prepare a preliminary credit analysis (a "Preliminary Review"). Staff will present the Preliminary Review to IBank's Credit Risk Committee, consisting of its Executive Director, its Chief Deputy Executive Director, its Chief Credit Officer, and its General Counsel (the "Credit Risk Committee"), who perform an analysis of the Preliminary Review. The Credit Risk Committee makes the final determination whether to invite the prospective applicant to submit a Financing Application.

C. Final Financing Approval

The Board of Directors of the California Infrastructure and Economic Development Bank ("IBank Board of Directors") is authorized to make financing and other decisions at any of its meetings in accordance with and pursuant to the IBank Act and as otherwise provided by law.

D. Application/Financing Process Assistance

IBank staff is available to provide applicants with assistance in the process of completing the Financing Application.

E. Capital and Infrastructure Project Planning Report.

If the applicant is a state agency, board, commission, or department, IBank shall consider, as appropriate, the manner in which the project reflects the goals of the Capital and Infrastructure Project Planning Report, prepared by the Director of Finance, in its selection of projects.

F. Prioritizing Projects

If the immediate financing needs of projects with active Financing Applications to be selected for IBank financing exceed the lending capacity of the ISRF Program, IBank will give priority to Public Development Facilities over Economic Development Facilities Projects. Further, at such times, as between Infrastructure Projects, IBank will give priority to Public Development Facilities Projects located in, or adjacent to or directly affecting, areas with high unemployment rates, low median family income, declining or slow growth in labor force employment, or high poverty rates.

G. Sponsor Resolution

Prior to submitting the financing request for approval to the IBank Board of Directors,

pursuant to Government Code Section 63041(a), the governing body or bodies of the Sponsor shall find, by resolution, certified to IBank, each of the following:

1. The project facilitates effective and efficient use of existing and future public resources so as to promote economic development and conservation of natural resources. The project develops and enhances public infrastructure in a manner that will attract, create, and sustain long-term employment opportunities.
2. The project is consistent with the general plan of both the city and county, or only the county for projects in unincorporated areas in which the project is located.
3. The proposed financing is appropriate for the specific project.
4. The project is consistent with the criteria, priorities, and guidelines for the selection of projects adopted by IBank pursuant to Government Code Section 63040.
5. The governing body or bodies of the Sponsor shall determine that the governing body has considered (i) the impact of the project on California's natural resources and the need to preserve such resources; (ii) whether the project is economically or socially desirable; and (iii) whether the project advances any specific state environmental policy objectives.

If the applicant is a Participating Party, it will also be required to issue an authorizing resolution appropriate for taking on the ISRF Financing, in form and substance acceptable to IBank.

IV. FINANCING TERMS AND LIMITATIONS

A. Financing Amount

ISRF Financings will be available in amounts ranging from \$1,000,000 to \$65,000,000 per applicant. Larger ISRF Financings may be approved by IBank subject to lending capacity and other factors including collateral and credit quality/review.

B. Borrower Concentration

The aggregate outstanding and unpaid principal amount of ISRF Financings ("Outstanding ISRF Financings") to a single borrower that are payable from the same source of revenue may not exceed fifteen percent (15%) of the aggregate unpaid principal amount of all ISRF Financings ("Outstanding ISRF Portfolio"). Outstanding ISRF Financings to a single borrower may not exceed twenty percent (20%) of the

Outstanding ISRF Portfolio, regardless of repayment source. Higher ISRF Financing concentrations may be approved by IBank subject to lending capacity, legal requirements, and other factors including collateral and credit quality.

C. Interest Rate

The interest rates on ISRF Financings are guided by a rate-setting methodology that is designed to achieve a number of goals for the ISRF program:

1. Mitigate the risks of lending to less creditworthy Borrowers by taking risk-based factors into account when setting interest rates.
2. Maintain the attractiveness of the ISRF Program to higher-rated credits, thereby supporting the very strong credit quality of the ISRF loan portfolio.
3. Make subsidies available to Borrowers representing communities within the State that demonstrate signs of economic distress, as well as for Projects that merit a CLEEN designation (as described I(D) above). Additional subsidies may also be made available based on desired programmatic outcomes consistent with IBank's mission.
4. Ensure long-term ISRF Program viability by setting interest rates in a manner that covers IBank's cost of funds to capitalize the ISRF loan pool, while retaining the ability to nimbly adjust to changing market and economic conditions, and to satisfy tax compliance requirements.
5. Achieve goals 1-4 in a manner that is based on publicly available data.

The interest rates on ISRF Financings will be primarily based on the Municipal Market Data (MMD) bond scales published daily by Refinitiv (on the tm3.com website). In no event may an ISRF Borrower qualify for rates better than IBank's cost of capital. 'All-in' interest rate quotes will be inclusive of the annual servicing fee described in Section IV(F) below.

All rates recommended by IBank staff are subject to approval by the Board.

D. Amortization

The ISRF Financing term will not exceed the lesser of the project's useful life or 30 years. However, borrowers may choose shorter maturities. Repayment of the ISRF Financing will be targeted to begin within one year of ISRF Financing origination. As required, interest payments can be made from capitalized interest included in the ISRF Financing amount or other sources identified by the borrower as documented in the ISRF Financing agreement. ISRF Financings will generally be amortized on a level

repayment basis, but other amortization structures may be required or approved by IBank as appropriate in a given case.

E. Prepayment

IBank has issued and expects to continue to issue ISRF Program Bonds to fund portions of the ISRF Program. Borrowers may be permitted to prepay their ISRF Financings in whole or in part with the prior written consent of IBank and such prepayments may be subject to prepayment premiums and other restrictions in accordance with requirements of the Program Bonds or as otherwise required by IBank. Depending on the structure of the underlying Program Bonds, prepayment may not be permitted during the initial period of the ISRF Financing. For long-term financings the prepayment prohibition typically applies to the first ten years.

F. ISRF Financing and Amendment Fees

For ISRF Financings with a principal amount equal to or greater than \$1,000,000, a one-time origination fee of the greater of twenty-five thousand dollars (\$25,000.00) or 1.00% of the original ISRF Financing amount will be paid as a condition of closing. The origination fee may be financed as part of the ISRF Financing. A servicing fee, charged as a percentage of the outstanding balance, will be payable annually, in arrears. An amendment fee will be charged as appropriate for each amendment to the ISRF Financing documents resulting from an amendment request from the borrower.

G. CLEEN Designation Incentives

If IBank determines that a Project merits a CLEEN designation based on the information provided by the Applicant, IBank may provide financial incentives to the requested ISRF Financing. Incentives may include an interest rate reduction, fee waiver, or any other monetary benefit. The incentive shall not be a detriment to the ISRF Program's overall financial position.

Exhibit A—Credit Underwriting Guidelines and Procedures

CALIFORNIA INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK

INFRASTRUCTURE STATE REVOLVING FUND PROGRAM

CREDIT UNDERWRITING

Guidelines and Procedures

Introduction

The ISRF Program's credit underwriting guidelines and procedures outlined below represents the general requirements for the listed repayment sources. To adequately address the unique credit features of a particular ISRF Financing, and to provide sufficient security for the ISRF Program, additional covenants, credit enhancement, or security may be required by IBank. Additional security may include: (1) a covenant for a debt service reserve fund at the borrower level, (2) a provision for additional security during the construction or start-up phase of a project, or (3) stricter financial covenants for borrowers demonstrating limited debt coverage capacity, or dependence on a concentrated source of revenues. IBank staff will discuss the need for such covenants with the applicant during the underwriting process, and such covenants will become part of any ISRF Financing agreement entered into between the borrower and IBank.

Alternate sources of ISRF Financing repayment or financing structures may be considered by IBank on a project-by-project basis.

No uncured bond/loan/debt defaults may exist at the time the ISRF Financing is approved or funded. Additionally, prior cured defaults may be grounds to not approve a request, depending on circumstances.

General Quantitative Analysis

I. For All Borrowers

A. Completeness of Application

1. Ensure that ISRF Financing application is complete, including all required attachments and exhibits.
2. Ascertain whether governing body of borrower has approved ISRF Financing application (required prior to IBank Board approval).
3. Confirm that:
 - a. Applicant is an eligible borrower.
 - b. Project is an eligible project, including, for energy or environmental projects, alignment with specific state policy objectives.
 - c. Proposed source of repayment is eligible to be used to repay requested financing.
 - d. Proposed repayment source is adequate to cover projected debt service or financing lease payment.
 - e. Determine the impact of the financing on fund balances, operating budget, and projected cash flow.
 - f. Other factors as determined by IBank staff,

B. Evaluation of Capital Planning and Financial Condition

1. Inquire of borrower whether or not borrower has other unmet capital needs.
2. Review at minimum the previous three years' audited financial statements (and more years as determined by staff).
3. Evaluate borrower's financial projections as appropriate.
4. Conduct financial analysis of borrower's general credit:
 - a. Perform analysis of financial statements using criteria appropriate for analysis of municipal credits or private credits, as the case may be.

- b. Review existing property tax rates and General Obligation bonding capacity, as applicable, for public entity borrowers.
- c. Review existing indebtedness, secured and unsecured.
- d. If applicable, review any official statements or prospectus used in conjunction with any recent issuance of bonds.
- e. If applicable, conduct discussions with the borrower's financial advisor/ underwriter to assist in the evaluation of borrower financial condition.
- f. Review reports of credit rating agencies where applicable.
- g. Other factors as determined by IBank staff.

C. Evaluate Economic/Demographic Trends

- 1. Examine current values and trends related to:
 - a. Population growth.
 - b. Assessed Value.
 - c. Median income.
 - d. Unemployment rates.
- 2. Other factors as determined by IBank staff.

D. Legal Review to Evaluate Applicable Legal Authority:

- 1. State law.
- 2. Federal tax law.
- 3. Any other applicable laws.

E. Meet with Management and Conduct Site Visit of Project:

- 1. Determine management's understanding of all obligations, terms, and conditions of the ISRF Financing.
- 2. Determine management's readiness and ability to assume responsibility for the timely repayment of the ISRF Financing.

3. Visit project site to determine viability of the project and to identify other potential obstacles or restrictions.
4. In-person meetings and site visits are subject to any applicable federal, state or local public health ordinances.

II. ISRF Financings secured solely or primarily by a revenue pledge

A. Evaluate Repayment Ability:

1. Determine the amount of revenue available for pledging from the revenue source.
2. Verify that the project to which the financing proceeds will be applied is eligible to be secured by the proposed revenue source.
3. Evaluate the historical receipt of revenues from the proposed revenue source.
4. Measure revenue from pledged source against total operating budget.
5. Determine the effect on the operating budget from use of the specific revenue for financing purposes.
6. Evaluate the historical expenses and transfers paid from the proposed revenue source.
7. Determine amount and pledge status of any outstanding debt or other proposed debt secured or to be secured by the proposed revenue source.
8. Calculate the amount of cash flow available for debt service and the debt service coverage ratio.
9. If the amount of cash flow available for debt service is insufficient to demonstrate repayment ability for the requested ISRF Program financing plus existing and other proposed debt, determine if the borrower has cash available in an amount sufficient to establish a rate stabilization fund and/or debt service reserve fund, or other resources that could be brought to bear to mitigate credit risk.

B. As applicable, confirm that the financing meets the requirements for Enterprise Fund-Secured Financings, as discussed further below.

C. Other factors as determined by IBank staff.

III. For ISRF Financings with a General Fund financing structure

A. Evaluate General Fund revenues:

1. Determine the sources of and the likely recurrence of General Fund revenues.
2. Verify that the project to which the financing proceeds will be applied is consistent with General Fund activities, and, for financing leases, the borrower is willing and able to include lease payments in future annual budgets.
3. Evaluate the historical receipt of General Fund revenues.
4. Evaluate the historical expenses and transfers paid from the General Fund.
5. Determine amount and status of any outstanding financing leases or other proposed financing leases to be paid from the General Fund, and (if applicable) the amount and pledge status of any outstanding debt or other proposed debt secured or to be secured by the General Fund.
6. Calculate the amount of cash flow available to cover financing lease payments, and (if applicable) for debt service and the Debt Service Coverage Ratio.
7. Determine if the financed project will result in increases in annual operating revenues and costs.
8. If the amount of cash flow available for financing lease payments and (if applicable) debt service is insufficient to demonstrate repayment ability for the requested ISRF Program financing, determine if the borrower has reserves or other resources that could be brought to bear to mitigate credit risk.

B. As applicable, confirm that structure meets IBank's General Fund Leased-Secured Debt requirements, as discussed further below.

C. Other factors as determined by IBank staff.

IV. In addition to financial viability, IBank will review the legal and structural feasibility of borrowers formed through a Joint Powers Agreement or Inter-governmental Agreement (collectively, "JPA")

A. Legal Review of Joint Powers Agreements:

1. IBank legal counsel to review agreements for consistency.
 2. Determine that the remaining term of the JPA exceeds the term of the requested financing.
 3. Confirm that agreements allow the JPA borrower to enter into financing obligations.
 4. Verify that the JPA includes sufficient barriers against members leaving the JPA without providing adequate compensation to the JPA, for at least the term of the requested financing.
- B. Evaluation of public support including, as applicable, authorization from relevant governing body or approval from voters.
- C. Other factors as determined by IBank Staff.

V. Priority of Liens

- A. Where applicable for the type of financing sought, IBank will, in general, insist on a senior lien position from borrowers on parity (*pari passu*) with other senior lien debt, if any, secured by the same source of funds. IBank may consider exceptions to this policy if one or more of the following conditions are met:
1. An additional source of revenue is, or sources are, pledged that provide sufficient additional security to IBank.
 2. The borrower has outstanding subordinate lien debt rated with an investment grade credit rating.
 3. The borrower has outstanding senior lien debt that has been rated no lower than the third highest (single-A) credit rating category.

VI. ISRF Financing Eligibility Determination and Staff Recommendation to the IBank Board

- A. Following a successful Preliminary Review, IBank staff will provide its analysis, including its credit analysis, and make a recommendation to the IBank Board for ISRF Financing consideration, including:
1. ISRF Financing amount.
 2. Interest Rate Adjustments.

3. ISRF Financing terms and conditions.

- B. If IBank staff does not recommend approving an ISRF Financing, or if the inquiry does not proceed beyond Preliminary Review, staff will provide its reasoning to the applicant.
- C. The IBank Board has the authority to waive or amend credit standards as necessary to accommodate complex or unusual transactions.

UNDERWRITING GUIDELINES FOR SPECIFIC TYPES OF BORROWERS

ENTERPRISE FUND SECURED FINANCINGS

General Credit Review

IBank will review the historical operations of the enterprise including, but not limited to, revenue collection, expenses, transfers-in and transfers-out, debt issuance and debt service ability, and capital spending. Future revenues, expenses, transfers-in and transfers-out, debt issuance and debt service ability, and the system's capital plan may also be reviewed.

Analysis will include review of historical rate increases, compliance with Proposition 218, and comparison of rates to similar systems in the region. Analysis will also review approved or anticipated rate increases, supported by rate studies.

Documents for debt outstanding at the time of application to IBank will also be reviewed.

Water systems shall provide information as to the current and future expectations of the stability of their water supply.

**Net Revenues
and
Adjustments**

Net revenues, for the purposes of determining debt service coverage and setting rates and charges, shall be calculated to include recurring system revenues and excluding extraordinary items. IBank may consider connection fees, and transfers-in and transfers-out, in the calculation of net revenues on a case-by-case basis.

Adopted rate increases or system expansion may be used to adjust revenues. Such revenue adjustments must be supported by a report prepared by a qualified, independent consultant, such as a rate consultant or other consultant acceptable to IBank. For IBank to consider a consultant's report, the report must include, at a minimum, the consultant's calculations and a clear and concise narrative supporting the calculations. IBank will thoroughly review the consultant's report to ensure the narrative and calculations support each other. IBank may discount the consultant's calculations if deemed warranted at IBank's sole and absolute discretion before considering any adjustments in the debt service coverage calculations.

System expansions shall only be included in the calculation of net revenues for purposes of determining the debt service coverage ratio to the extent that if revenue from such expansion were excluded, revenue from existing system rates and charges would need to be increased by no more than twenty percent in order to maintain the debt service coverage required by IBank.

Rate stabilization fund balances currently maintained by the system may be included in the coverage calculation for purposes of setting current year rates and charges and determining coverage.

The system also **may establish** a rate stabilization fund to meet the required debt service coverage. In such case, the applicant/borrower must provide a copy of a resolution directing the establishment for such fund and evidence that the fund has been established.

**System
Requirement**

The system's top ten ratepayers must not provide more than 50% of the system's total annual operating revenues.

No single ratepayer may provide more than 15% of the system's total annual operating revenues.

The system's governing board must be empowered to establish and enact rates and charges to ensure sufficient revenue for expenses and debt payments, without the approval of any other governing body. However, where another entity holds such power (for example, a city council), a binding agreement by such entity to establish and enact such rates and charges may be acceptable to IBank.

Sewer systems must have a mandatory hook-up ordinance in effect at the time of IBank financing approval.

**Debt Service
Requirements**

The applicant's net revenues must exceed 100% of projected debt service by a margin that is appropriate for the applicant's overall credit strength.

**Financing
Covenants**

Rates and Charges Covenant: The system's governing board (or, if separate, the governing body with authority to establish and enact rates and charges) must covenant to maintain the required debt service coverage ratio.

Standard covenants appropriate for the particular borrower and similar enterprise fund secured debt will be included in the financing agreement.

GENERAL FUND LEASE SECURED DEBT

(Financings secured by leases of borrower assets)

General Credit Review

IBank will review the source and diversity of the revenue streams supporting the General Fund and the level of historical receipt of such streams. Additionally, IBank will review the historical availability of fund balances, taxpayer concentration, outstanding capital lease and debt service obligations, and any other significant liabilities.

The applicant shall provide a written statement that the project undertaken and the lease of the facility which secures the ISRF Financing are not the subject of any litigation or material controversy.

Structuring Requirements

The project budget for each lease financing must include a construction contingency in an amount deemed reasonable by IBank Staff to cover the amount of cost over-runs.

Asset transfer projects require the applicant to pledge one or more unencumbered real property(ies) owned and operated by the applicant that are acceptable to IBank as the subject leased asset(s) of the financing agreement. The fair market value of the leased asset(s) must be supported by a complete appraisal report prepared by an independent MAI appraiser or by another valuation method acceptable to IBank. The **fair market value** must be equal to or greater than the amount of the IBank financing, and the annual **fair market rent** must be equal to or greater than the maximum annual debt service and/or financing lease payments due under the IBank financing agreement and any other applicable financing agreements throughout the term of the financing.

Non-asset transfer If the applicant is unable to pledge a suitable property during the construction period, project budgets must include capitalized interest sized to fully cover debt service payable during the estimated construction period plus six months.

**Debt Service
and Financing
Lease
Requirements**

Total General Fund debt service and financing lease obligations, inclusive of IBank's financing, must not exceed 15% of total General Fund revenue.

General Fund must demonstrate the ability to service the proposed financing.

**Lease
Agreement
Covenants**

Leased asset(s) must not be the subject of any litigation or material controversy.

Construction contracts must be fixed-price. Contractor must obtain payment and performance bonds, builder's risk insurance, and liability and worker's compensation insurance.

A **Preliminary Title Report** will be required on the leased asset.

CLTA or ALTA Title Insurance is also required.

Rental Interruption Insurance is required for a period of at least six months beyond the period required to rebuild the leased facility.

Payment Covenant: The applicant must covenant to budget and appropriate funds sufficient to make annual payments on the financing lease.

Standard covenants appropriate for the particular applicant and for similar general fund financings will be included in the financing agreement.

LAND SECURED DEBT

(Financings repaid with property taxes or property-related assessments)

General Credit Review

IBank will review the stability and history of the district's and the county's property tax collections, the diversity of the district's tax payers, and over-lapping debt.

Value and Liens

Value for each assessed parcel can be either assessed value supported by the county's tax assessor's roll or appraised value supported by an appraisal report prepared by an independent MAI appraiser.

"Lien" includes all assessment liens and special taxes on the assessed parcels.

District Requirements

The district-wide value-to-lien ratio must be at least 3:1.

The individual value-to-lien ratio of no more than 20% of the assessed parcels may be less than 3:1.

The top ten taxpayers' aggregate assessment or special tax obligation may not exceed 50% of total assessment or special taxes.

No single taxpayer's obligation may exceed 15% of the total assessment or special taxes.

Property tax delinquencies and defaults within the district must not be materially above the countywide average.

Debt Service Requirement

Mello-Roos financings must have a special tax formula that produces maximum special tax revenues such that net revenues are at least equal to 105% of projected debt service on the proposed financing.

Financing Covenants

Standard Covenants appropriate for the particular applicant and similar land secured financings will be included in the Financing agreement.

ALL OTHER FINANCINGS TO GOVERNMENTAL BORROWERS

(Financings repaid from other sources or secured by other collateral)

**General
Credit Review**

IBank will review historical operations of the entity on the basis of standards appropriate for the type of entity, the service, or amenity provided. The review will include, but is not limited to, revenue collection, expenses, transfers-in and transfers-out, debt issuance and repayment ability, and capital spending. Future revenues, expenses, transfers-in and transfers-out, debt issuance and repayment ability, and the entity's capital plan may also be reviewed.

**Debt Service
Requirement**

The applicant's net revenues must exceed 100% of projected debt service by a margin that is appropriate for the applicant's overall credit strength.

**Financing
Covenants**

Standard covenants appropriate for the particular applicant and similar financings will be included in the financing agreement.

FINANCINGS TO NON-PROFIT BORROWERS

General Credit Review

In addition to underwriting guidelines applicable to the repayment source/revenues, IBank will rely upon structured and private finance criteria, as well as other applicable procedures, to review and analyze: (1) the legal structure of non-profit applicants; (2) the governing body and authority of non-profit applicants; (3) material “obligated persons” affiliated with projects and non-profit applicants; (4) relationships between non-profit applicants and “obligated persons;” (5) the technical, managerial, and financial capability of non-profit applicants to fulfill obligations to “Sponsors” (governments affiliated with the project) to construct/acquire and complete the project; (6) the technical, managerial, and financial capability of non-profit applicants to fulfill obligations to “Sponsors” to operate, manage, and maintain projects after construction; (7) management contracts between “Sponsors” and non-profit applicants; (8) validity and enforceability of pledged repayment sources/revenues; (9) existing and proposed obligations of non-profit applicants; (10) the essentiality, feasibility, sustainability, marketability, and appraised value of property, structures, or other fixed assets financed by or securing the Financing; (11) the validity, enforceability, and accessibility for IBank to control the operations or sale of property, structures, or other fixed assets financed by or securing the financings.

Value

The appraised value of the property, structures, and other fixed assets financed by or securing the financing must be greater than or equal to the amount of the IBank financing.

The appraisal must be prepared by an independent MAI appraiser.

Debt Service Requirements

The applicant’s net revenues must exceed 100% of projected debt service by a margin appropriate to similarly structured private financings.

Financing Covenants

Standard covenants appropriate for non-profit applicants and similar financings will be included in the financing agreement.



Meeting Date: 01/26/2026
Agenda Item: 5

FINANCE COMMITTEE STAFF REPORT

REPORT TO: Chairman Smith & Finance Committee
REPORT FROM: Alexander J. Henderson, ICMA-CM **REVIEWED BY:** CW
AGENDA ITEM: Street Sweeping Services
ACTION REQUESTED: Ordinance Resolution Motion Receive/File

EXECUTIVE SUMMARY

In 2016, the City entered into a five year contract with Central Valley Sweeping for street sweeping services. In 2021, that contract was extended for an additional five years. The five year extension included a 0% price increase to existing rates for the full term of the contract.

That extension is due to expire at the end of February 2026. As such, city staff has released an RFQ from qualified firms to ensure competitive pricing while still delivering necessary services.

Other than the standard street sweeping, we are seeking pricing for the following:

- Alley Sweeps - 2x a year – paved alleys only
- Leaf clean up - during the fall
- Parking Lot and Public Spaces
- Special Event Sweeps- Downtown – Car show, Swedish Festival, Santa Lucia Parade
- Collection and Disposal of Street Sweeping Refuse
- Fixed Price for Emergency cleanups

Our current service is residential bi-weekly with the Downtown area completed weekly.

Recently, Mid Valley Disposal, the city’s provider of garbage, recycling and green waste collection, has begun providing sweeping services. We anticipate they will also provide a cost estimate for these services.

For context, FY26 has a budget of \$306,000 for sweeping services.

RECOMMENDED ACTION BY FINANCE COMMITTEE

1. *Informational. Staff will provide recommendations once proposals are received. The Committee can provide input as desired.*

POLICY ALTERNATIVE(S)

1. N/A

REASON FOR RECOMMENDATION/KEY METRIC

1. Financial Stability
2. Preserve the Kingsburg Experience
3. Community Engagement

FINANCIAL INFORMATION

FISCAL IMPACT:

- | | |
|------------------------------|-------------------------------------|
| 1. Is There A Fiscal Impact? | <u>Yes</u> |
| 2. Is it Currently Budgeted? | <u>Yes</u> |
| 3. If Budgeted, Which Line? | <u>319 – Solid Waste Enterprise</u> |

PRIOR ACTION/REVIEW

In 2016, the City entered into a five year contract with Central Valley Sweeping for street sweeping services. In 2021, that contract was extended for an additional five years. The five year extension included a 0% price increase to existing rates for the full term of the contract.

BACKGROUND INFORMATION

The city is required to provide street sweeping services as outlined by the San Joaquin Valley Air Pollution Control District. Street sweeping significantly improves water quality by preventing pollutants from entering storm drains and waterways. By removing debris, sediments, and other pollutants from streets, street sweeping reduces the amount of these materials that would otherwise wash into storm drains during rainfall.

ATTACHMENTS

1. 2016 Street Sweeping Contract
2. 2021 Street Sweeping Contract Extension

**CITY OF KINGSBURG
AGREEMENT FOR STREET SWEEPING SERVICES**

THIS IS AN AGREEMENT effective March 1, 2016 by and between the CITY OF KINGSBURG, a California Municipal Corporation and Charter City, hereinafter referred to as "CITY" and Central Valley Sweeping, a general partnership, hereinafter referred to as "CONTRACTOR".

CITY and CONTRACTOR AGREE AS FOLLOWS:

1. DEFINITION OF TERMS

Whenever the following terms are used in this Agreement, they shall mean the following:

"Agreement" means the terms and conditions set forth in this document.

"City" means the City of Kingsburg, California.

2. INITIAL TERM OF AGREEMENT

This agreement shall have an initial five (5)-year term of March 1, 2016 through February 28, 2021.

3. PAYMENTS

CITY shall make monthly payments in arrears to CONTRACTOR for all services called for herein, to be calculated and paid in the manner and amount as described in Exhibit "A" - Payment Schedule for services provided as described below in Section 5, GENERAL SCOPE OF SERVICES. CONTRACTOR shall submit at the end of each calendar month of service a statement to the attention of the Finance Director addressed to City of Kingsburg, 1401 Draper Street, Kingsburg, CA 93631, that all services were performed as required under this Agreement. Said monthly statement shall be submitted to CITY within ten (10) days of the end of the calendar month in which the service was provided and shall be accompanied by any monthly or other reports due. Within fifteen (15) days after the date of receipt of such statement, CITY shall pay CONTRACTOR the sum due in accordance with this Agreement.

4. CONTRACTOR RESPONSIBILITY FOR COLLECTED MATERIALS

CONTRACTOR assumes responsibility to dispose lawfully of all materials collected from CITY'S streets by CONTRACTOR.

5. GENERAL SCOPE OF WORK

Commencing March 1, 2016, CONTRACTOR shall provide biweekly (every other week) sweeping of the CITY streets within Zones I through III, and three-times-a-week within Zone IV, respectively, as said zones are shown on Exhibit B (Zone Map) as well as sweeping of City's alleys once per calendar year in the spring. CONTRACTOR shall continue to manage, operate and maintain for the term hereof, street sweeping services in accordance with this Agreement. Exhibit C attached to this Agreement describes in greater detail the performance of street sweeping services to be provided by CONTRACTOR.

6. NONDISCRIMINATION IN EMPLOYMENT AND SERVICES

CONTRACTOR shall not unlawfully discriminate in the performance of this Agreement against anyone on account of race, color, sex, religious background, ancestry, national origin or handicap.

7. LICENSES

CONTRACTOR and its employees shall hold and keep available for inspection valid permits, licenses, certificates and other documents as are required by the State, County, City and other governmental or regulatory bodies to legally engage in the services to be provided under this Agreement including a business license from the City of Kingsburg. CONTRACTOR shall notify CITY within the next working day of any suspensions, terminations, lapses, non-renewals or restrictions of required licenses, certificates or other documents that may materially and adversely affect CONTRACTOR'S ability to perform hereunder.

8. INDEPENDENT CONTRACTOR

This agreement is by and between CITY and CONTRACTOR and is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between CITY and CONTRACTOR understands and agrees that all persons furnishing service to CITY pursuant to this Agreement are for all purposes, including, but not limited to, workers' compensation and other liability, employees solely of CONTRACTOR and not of CITY.

9. DUTY TO INDEMNIFY, HOLD HARMLESS and DEFEND

CONTRACTOR shall indemnify, save harmless and defend CITY, its officers, agents and employees, and shall assume all responsibility for any and all damages to property or injuries to persons, including accidental death, which may be caused by CONTRACTOR'S active or passive negligence or willful misconduct in the performance of this Agreement, whether by CONTRACTOR, its officers, agents employees of anyone directly or indirectly employed by CONTRACTOR and whether such damage shall occur or be discovered before or after termination of this Agreement. The provisions of this Section 9 shall survive the termination or expiration of this Agreement for any reason.

10. PUBLIC LIABILITY AND PROPERTY DAMAGE INSURANCE

Without limitation upon the provisions of the preceding paragraph, CONTRACTOR shall take out and maintain during the life of this Agreement a Comprehensive Liability policy, including Contractual Liability, to provide a level of insurance protection for CONTRACTOR and CITY from claims for damages and to provide for a level of indemnity. Said policy shall be in a form and issued by a carrier acceptable to CITY and shall name the City of Kingsburg, California, its agents, officers and employees as additional insured under the policy to cover the foregoing indemnity to the full extent allowed by law in not less than the following types and amounts of coverage:

(a) General liability insurance for personal injury and property damage and comprehensive auto liability insurance for all vehicles used in CONTRACTOR's performance of this Agreement in an amount not less than Three Million and 00/100 Dollars

(\$3,000,000.00) per occurrence and Five Million Dollars (\$5,000,000.00) in the aggregate.

In addition, such policies shall contain a severability of interest clause and provide that the coverage shall be primary for losses arising out of CONTRACTOR'S performance of this Agreement. Neither CITY nor any of its insurers shall be required to contribute to any such loss, and the amount of any deductible to be paid by CONTRACTOR shall be acceptable to CITY.

CONTRACTOR shall furnish, prior to performing under this Agreement, a certificate of insurance countersigned by the insurance carrier on a form acceptable to CITY setting forth the general provisions of the insurance coverage. This countersigned certificate shall verify that CITY, its agents, officers and employees are named as additional insured under the policy as provided herein and further that this insurance is primary to the coverage of CITY. The certificate of the insurance carrier shall contain a statement of obligation on the part of the carrier to notify CITY by registered mail of any material change, cancellation or termination of the coverage at least thirty (30) days in advance of the effective date of any such material change, cancellation or termination.

Notwithstanding the foregoing, and provided that the parties have agreed on CITY'S share of any additional premium(s) charged to CONTRACTOR, CONTRACTOR shall increase the above referenced insurance coverage limit(s) to not exceed Five Million and 00/100 Dollars (\$5,000,000.00) per coverage(s) within thirty (30) days of receipt of written notice from CITY to do so, CITY to reimburse CONTRACTOR thereafter on a monthly pro-rata basis for CITY'S agreed share of any such additional premium(s) for such increase(s) in coverage(s).

11. WORKERS' COMPENSATION INSURANCE

CONTRACTOR shall secure, pay for and maintain in full force and effect for the duration of this Agreement complete workers' compensation insurance, and shall furnish certificate of insurance to CITY before execution of the Agreement by CITY. CITY will not be responsible for any claims in law or equity occasioned by failure of CONTRACTOR to comply with this paragraph.

All compensation insurance policies shall bear an endorsement or shall have attached a rider whereby it is provided that, in the event of the expiration or proposed cancellation of such policies for any reason whatsoever, CITY shall be notified by registered mail not less than thirty (30) days before expiration or cancellation is effective.

12. FAILURE TO PROCURE/MAINTAIN INSURANCE

Failure on the part of CONTRACTOR to procure or maintain required insurance shall constitute a material breach of contract upon which CITY may immediately suspend this Agreement and thereafter terminate it unless CONTRACTOR cures the breach within five (5) calendar days of any lapse in coverage (regardless of cause), such cure to cover any gap in coverage thereby caused.

13. RECORDS

(a) CONTRACTOR shall maintain all books, records, reports and documents consistent with the generally accepted standards of the industry reflecting all aspects of the

performance of this Agreement.

(b) CONTRACTOR'S records related to work performed under this Agreement shall be available for inspection by CITY'S authorized representatives at CONTRACTOR'S regular place of business. CITY may not inspect records of costs of operations or profits under this paragraph.

(c) CONTRACTOR shall maintain all books, records, reports and other documents relative to this Agreement for not less than five (5) years from their creation. It is agreed that any failure by CONTRACTOR to provide street sweeping services as called for herein shall result in substantial damage and injury to the public and CITY. Therefore, it is agreed that CITY, in addition to any other remedy hereunder or at law or in equity, may deduct from payment to CONTRACTOR, the sum of Five Hundred and 00/100 Dollars (\$500.00) per day for each day CITY is without those regular street sweeping services to be provided by CONTRACTOR, under this Agreement.

14. INTENTIONALLY DELETED

15. TERMINATION OR SUSPENSION OF CONTRACT FOR CAUSE

In addition to any other provision of this Agreement or of law, the following are expressly recognized bases for termination or suspension of operation of this Agreement by CITY:

(a) Filing of a petition in bankruptcy by others for CONTRACTOR or by others for assignment for the benefit of CONTRACTOR'S creditors, which proceedings are not stayed within thirty (30) days or upon the filing of such petition or such assignment by CONTRACTOR itself.

(b) Within five (5) days after the date of notice from CITY to CONTRACTOR, CONTRACTOR's failure or refusal to perform the services specified in this Agreement in a manner satisfactory to the CITY.

(c) Failure or refusal of CONTRACTOR to comply within five (5) days after the date of written notice from CITY to CONTRACTOR with the instructions of CITY given pursuant to or consistent with this Agreement, or with applicable Federal, State and local governing laws or codes.

(d) Failure or refusal of CONTRACTOR to pay timely all required Federal, State and local income, property, employer, franchise or other taxes and/or fees as required by law; provided nothing herein precludes any contest or appeal by CONTRACTOR at its sole cost and expense regarding such taxes or fees, and provided a stay of enforcement is first obtained by CONTRACTOR.

Further, in addition to any other provision of this Agreement or of law, an expressly recognized basis for termination or suspension of this Agreement by CONTRACTOR is CITY'S failure to make timely payments as called for in this Agreement after a ten (10)-day prior written notice by CONTRACTOR

16. FORCE MAJEURE

Failure by CONTRACTOR or CITY to perform any of its obligations under this Agreement shall not constitute a breach of this Agreement if such failure is caused by acts of war or acts of God, or if such failure is required by legislative, judicial or administrative order precluding CONTRACTOR or CITY from rendering services or performing hereunder where such order does not result from acts or commissions within their respective and reasonable control.

17. REMEDIES

In addition to any other remedy specifically provided in this Agreement to either or both parties, CONTRACTOR and CITY are entitled to seek full legal and equitable relief from the other party for any and all actual or threatened breach(es) of this Agreement in accordance with applicable law, including, but not limited to, damages, declaratory relief, writs or orders for possession, quiet title, temporary, preliminary and permanent injunctions and alternative or peremptory writs.

18. INTENTIONALLY DELETED

19. KINGSBURG'S OPTION TO EXTEND TERM

Unless this Agreement has been sooner terminated, CITY shall have the right to extend the term of this Agreement with automatic renewals for one year periods on the same terms and conditions of this Agreement, including, without limitation the amount of the monthly payments identified in Exhibit "A" to this Agreement. If CITY elects not to renew this Agreement, CITY will provide CONTRACTOR with written notice to CONTRACTOR at least thirty (30) days prior to the last day of the applicable one (1) year extended period.

20. APPLICABLE DOCUMENTS

The exhibits attached hereto are a part of this Agreement. This Agreement constitutes the complete and exclusive understanding between the parties which supersedes all previous agreements, written or oral, and all other communications between the parties relating to the subject matter of this Agreement.

21. GRATUITIES

CITY may by written notice to CONTRACTOR terminate the right of CONTRACTOR to proceed under this Agreement (as a default) upon ten (10) days' notice if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by CONTRACTOR, or any agent or representative of CONTRACTOR, to any officer or employee of CITY with a view toward securing this Agreement or securing favorable treatment with respect to the administration or performance of this Agreement. In the event of such termination, CITY shall be entitled to pursue the same remedies against CONTRACTOR as CITY could pursue in the event of default by CONTRACTOR.

22. CONFLICT OF INTEREST

CONTRACTOR represents and warrants that no CITY officer, agent or employee whose position in CITY enables him/her to influence the award of this Agreement or any competing

agreement, and no spouse or economic dependent of such officer, agent or employee is or shall be employed during the term hereof or for a period of one (1) year thereafter in any capacity by CONTRACTOR herein, or does or shall have any direct or indirect financial interest in this Agreement. Breach of this provision at any time authorizes CITY to terminate this Agreement in the same manner as provided in Section 21, above.

23. VALIDITY

The invalidity, unenforceability or illegality of any provision of this Agreement shall not render the other provisions hereof invalid, unenforceable or illegal.

24. WAIVER

Any waiver by CITY or CONTRACTOR of any breach of anyone or more of the covenants, conditions, terms or agreements herein contained shall not be construed to be a waiver of any subsequent or other breach of the same or of any other covenant, conditions, term or agreement herein contained, nor shall failure on the part of CITY or CONTRACTOR to require exact, full and complete compliance with any of the covenants, conditions, terms or agreements herein contained be construed as in any manner changing the terms of this Agreement or the right to enforcement thereof.

25. NOTICE

Any notice, consent, authorization, or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile or e-mail if receipt is verified, one (1) business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three (3) business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the last address furnished for such purpose by the party to whom notice is directed and addressed as follows:

City of Kingsburg Attention: City Manager	Central Valley Sweeping Attention: Matt Bawks
Address: 1401 Draper Street Kingsburg, California 93631	Address: 10313 W. Legacy Avenue Visalia, California 93291
Telephone: (559) 897-5821	Telephone: (559) 739-7532
Fax: (559) 897-5568	Fax: (559) 625-2980
E-Mail: ahenderson@cityofkingsburg-ca.gov	E-Mail: matt@centralvalleysweeping.com

The parties hereto may change their address as set forth in this paragraph by providing the other party with written notice thereof.

26. AUTHORIZATION OF WARRANTIES

CONTRACTOR and CITY respectively represent and warrant that their signatories to this Agreement are fully authorized respectively to obligate CONTRACTOR and CITY hereunder and that all corporate and City acts necessary to the execution of this Agreement have been accomplished.

27. **ASSIGNMENT AND SUBCONTRACTORS**

Neither this Agreement nor any interest herein nor claim hereunder may be assigned by CONTRACTOR, either voluntarily, involuntarily or by operation of law, nor may any street sweeping work hereunder be subcontracted by CONTRACTOR without the prior written consent of CITY which consent may be withheld in the sole discretion of the CITY. No consent shall be deemed to relieve CONTRACTOR of its obligation to comply fully with the requirements hereof

28. **INTENTIONALLY DELETED**

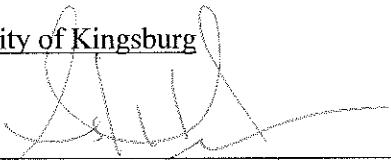
29. **INTERPRETATION/JURISDICTION**

This Agreement is entered into in the County of Fresno, State of California and is to be interpreted in accordance with the laws of the State of California. Any litigation involving this Agreement may only be commenced in a court of competent jurisdiction located in the County of Fresno, State of California.

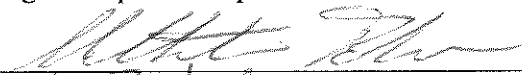
30. **MODIFICATION**

By mutual written agreement approved, authorized and executed by CONTRACTOR and the CITY the parties may terminate this Agreement or modify or amend the terms and conditions hereof. Regardless of sequence or date of execution hereof, this Agreement shall be effective for all purposes as of 12:01 AM, March 1, 2016.

IN WITNESS WHEREOF, CITY and CONTRACTOR have executed this Agreement by their respective authorized agents below effective as of March 1, 2016:

City of Kingsburg


ALEXANDER J. HENDERSON,
City Manager

Central Valley Sweeping,
a general partnership


Ure Vandert, general partner

As to Form:


MICHAEL J. NOLAND, City Attorney

, general partner

EXHIBIT "A"
TO THE CITY OF KINGSBURG
AGREEMENT FOR STREET SWEEPING SERVICES
WITH CENTRAL VALLEY SWEEPING
PAYMENT SCHEDULE

Monthly payments to CONTRACTOR of \$9,996.64 for services shall be paid by CITY after CONTRACTOR completes and certifies each month's service.

New streets shall be paid at the rate of \$75.00 per curb mile.

New alleys shall be paid at the rate of \$125.00 per hour.

Additional emergency call out and/or unscheduled sweeping services shall be paid at the rate of \$200.00 per hour with a two (2) hour minimum per event.

Payments for less than a full month of service shall be prorated on the basis of a thirty (30) day month. All payments are to be requested, approved, paid and adjusted as provided in accordance with the full terms and conditions of the Agreement.

EXHIBIT "B"
TO THE CITY OF KINGSBURG
AGREEMENT FOR STREET SWEEPING SERVICES
WITH CENTRAL VALLEY SWEEPING
Zone Map

EXHIBIT "C"
TO THE CITY OF KINGSBURG
AGREEMENT FOR STREET SWEEPING SERVICES
WITH CENTRAL VALLEY SWEEPING

Statement of Work

1. MANAGEMENT/ADMINISTRATION

CONTRACTOR shall provide the necessary management and administrative personnel whose expertise will assure efficient operation of the service herein specified. All facilities, equipment, supplies and services required in the operation of street sweeping services shall be furnished by CONTRACTOR unless specifically identified in the Agreement to be contributed by CITY. Services shall be operated and managed by CONTRACTOR within the guidelines and parameters established herein and the other provisions of the Agreement.

2. GENERAL STANDARD

CONTRACTOR shall perform all work called for in the Agreement in the manner and at the times called for in the Agreement and in a neat, clean and workmanlike manner.

3. SUPERVISION

(a) Supervision of this program's day-to-day operations shall be vested in CONTRACTOR. CONTRACTOR shall assign an individual full-time to this operation, and said individual shall show by decision and action to be competent in all aspects of operating and supervising these street sweeping services.

(b) The assigned individual selected by CONTRACTOR (or an alternative competent CONTRACTOR representative) shall be available by telephone or in person during all hours of every operational day to make decisions and provide coordination as necessary.

4. OPERATIONS

CONTRACTOR shall provide all personnel necessary to manage, supervise and administer CITY'S street sweeping services. All personnel involved with street sweeping shall wear an approved uniform identifying them as CONTRACTOR employees. All vehicles involved with street sweeping shall be clearly marked identifying CONTRACTOR CONTRACTOR'S drivers shall be knowledgeable of customer service requirements and the street network of their service area. CONTRACTOR shall not assign any vehicle to the programs where the vehicle or any component part or piece of equipment may jeopardize public safety, is contrary to the California vehicle code or is contrary to the standards of the Agreement.

5. OPERATION HOURS

Hours of service shall commence no sooner than 5:00 AM and end no later than 5:00 PM

6. SERVICES TO BE PROVIDED

For purposes of street sweeping the City is currently divided into four (4) zones (please see Exhibit B, Zone Map). The table below has a breakdown by zones of the frequency, estimated centerline miles, and estimated curb miles per year for streets and alleys. CONTRACTOR is solely responsible to check and verify the scope and extent of work required.

Estimates of Street Sweeping

Zone	Frequency	Centerline Miles	Curb Miles per year
1 (I)	Biweekly	10	520
2 (II)	Biweekly	9.9	515
3 (III)	Biweekly	13	676
4 (IV)	2X Week	10.6	2,204.8
Alleys	1X per year	34.76	

CONTRACTOR shall provide street sweeping services as specified in the Agreement.

7. PERSONNEL QUALIFICATIONS AND RESPONSIBILITIES

- (a) CONTRACTOR shall furnish employees who at all times are:
 - (i) Legally licensed and authorized by the State of California to operate the vehicles to which they are assigned;
 - (ii) Alert, careful, courteous and competent in their driving and work habits;
 - (iii) Unimpaired in their capacity to drive or work; and
 - (iv) Neat and clean in appearance

8. PERSONNEL POLICIES

CONTRACTOR shall maintain in effect during the term of the Agreement such reasonable personnel policies as CONTRACTOR shall determine from time-to-time for all personnel involved in or with the operation of these programs including, but not limited to, safe driving and substance abuse policies.

9. INQUIRIES, COMPLAINTS, AND MISSES

- (a) CONTRACTOR shall maintain an office at some fixed place located within fifty

(50) miles of the City of Kingsburg and shall maintain a telephone which is listed in the white and yellow pages of the local telephone directory(ies) identifying the telephone number and shall provide the CITY with the cell phone number and email address for the person responsible for CONTRACTOR'S performance under this Agreement. CONTRACTOR'S employees shall be available to take all calls and respond to emails and all necessary actions regarding inquiries or complaints from CITY, customers, and the general public. CONTRACTOR shall provide a toll-free number for the Kingsburg area if long distance numbers are used at any time. During early morning, evening and weekend hours, CONTRACTOR shall provide CITY, customers and the general public with an answering service or device where messages may be left for the next scheduled workday. During CONTRACTOR'S regular working hours, CONTRACTOR and its employees providing street sweeping services shall also be able to contact or to be contacted in vehicles through a CONTRACTOR-provided pager, two-way radio or vehicle telephone communication system.

CONTRACTOR shall maintain a written log of all complaints, compliments and/or comments, the date and time thereof and the action taken pursuant thereto or the reason for non-action. A monthly service report describing CONTRACTOR'S response to and resolution of all complaints, compliments and/or comments shall be sent to CITY along with CONTRACTOR'S monthly statement

(b) All citizen complaints shall be corrected by Contractor, to the satisfaction of the City, as soon as possible, but in all cases, no later than 48 hours from the time the complaint is received by the City or the Contactor. If the citizen complaint is not corrected by the Contractor within 48 hours, such failure by the Contactor shall constitute a breach of this Agreement by Contactor. Further, if the citizen complaint is not resolved by the Contractor within 48 hours, the City may, but shall not be obligated to, resolve the citizen complaint. If the City elects to resolve the citizen complaint, the Contractor shall, within five (5) days of the date of an invoice from the City to Contractor, reimburse the City any and all expenses and costs incurred by the City in resolving the citizen complaint."

(c) CONTRACTOR shall promptly sweep any areas missed by CONTRACTOR which are brought to CONTRACTOR'S attention, but in no event later than the next regular workday after notice.

10. SAFETY

(a) CONTRACTOR agrees to perform all work outlined in the Agreement in such a manner as to meet all generally accepted standards of the industry for safe practices during program operations and to safely maintain and store tools, equipment, machines, and materials utilized in doing CONTRACTOR'S work. CONTRACTOR agrees additionally to accept the sole responsibility for complying with all local, County, State or other legal requirements including, but not limited to, full compliance with the terms of applicable OSHA safety orders at all times, in order to protect all persons, including officers, employees, agents of CITY, vendors, members of the public, or others from foreseeable injury or damage to their person or property.

(b) Upon request, CONTRACTOR shall cooperate fully with CITY in the investigation of any accident, injury or death occurring in the execution of the Agreement. Such cooperation shall include a complete written report thereof to CITY within five (5) days following the occurrence.

11. CONTRACTOR'S STAFF

(a) CONTRACTOR shall maintain an adequate and proper staff to meet the requirements of the Agreement. CITY may at any time give written notice to the effect that the conduct or action of a designated employee of CONTRACTOR, in the reasonable belief of CITY, is detrimental to the interest of CITY, customers or the public.

(b) Following CITY'S written notice thereof, CONTRACTOR shall meet with representatives of CITY to consider the appropriate course of action with respect to such matter. CONTRACTOR shall then take reasonable measure under the circumstances to assure CITY that the conduct and activities of said employee(s) will not be detrimental to the interest under the Agreement of CITY, the public or CITY'S street sweeping programs.

12. TRAINING

CONTRACTOR shall familiarize its employees with route maps. CONTRACTOR shall also train all employees in the proper and safe operation of the street sweeping and related equipment before they conduct or initiate separate street sweeping services. Initial and regular training in safe and proper street sweeping methods for all equipment shall be provided and maintained throughout the term of the Agreement.

13. SWEEPING DEBRIS DEPOSIT SITE AND LEAF PICKUP

All sweeping debris shall be deposited by CONTRACTOR at an approved dump site. The debris will be transported to an appropriate disposal site by CONTRACTOR.

CONTRACTOR shall stockpile leaves in areas designated by CITY for pick-up by CITY during those months when the City provides a leaf pickup program.

14. EQUIPMENT

CONTRACTOR shall provide street sweeping services with an air/vacuum type street sweeper, e.g. a FMC Vanguard 300 SP, a Tymco 600, or equivalent. CITY will determine if the air/vacuum type street sweeper proposed by CONTRACTOR is acceptable as an equivalent.

Equipment shall be operated at speeds and maintain an adequate supply of and use water during all times of operation to minimize the introduction of air-borne dust. The measure of compliance shall be the visible appearance of dust, or the lack thereof, during sweeping operations.

15. **WATER**

Water for street sweeping purposes will be provided by CITY at no cost to CONTRACTOR. The City shall designate a specific hydrant for use by the CONTRACTOR, and the CONTRACTOR must take all water through that hydrant. The operator will be required each month to report to CITY the approximate amount of water taken. The CONTRACTOR will be responsible for the cost of repair or replacement should the hydrant be damaged or destroyed as a result of the CONTRACTOR'S operations.

CENTRAL VALLEY SWEEPING, LLC

P.O. Box 6787
Visalia, CA 93290
Phone (559) 739-7532
Fax (559) 625-2980

January 29, 2021

City of Kingsburg
Attn: Daniel Galvez – City Manager
1401 Draper Street
Kingsburg, CA 93631

Re: Street Sweeping Contract Extension

It is the hope of Central Valley Sweeping and our ownership that the past sixteen (16) years together have been as successful for you as they have been for us. We have tried very hard to provide a service that has been reliable, high in quality, and minimizes the total number of resident complaints. We have worked closely with Alex and his staff to develop an outstanding Resident Response system to provide a timely and effective response to all resident concerns and complaints.

Central Valley Sweeping and the City of Kingsburg currently are operating on a month-to-month service agreement. It is our belief that this arrangement is not in either party's best interest. The City is at risk for substantial rate increases, no standard of service is enforced and in general this is not how either of us would like to continue with business.

Central Valley Sweeping is interested in extending our current contract which averages between \$140,000 & \$150,000 (approximately) annually. In the interest of continuing our successful relationship we respectfully submit the following three (3) Contract Extension Options:

- i. **Contract Option #1:** Central Valley Sweeping and the City of Kingsburg will continue to operate on a month-to-month basis. Under the terms of this agreement, either party can cancel service with 30 days written notice. If the City would like to select this service term and agreement, Central Valley Sweeping will be implementing a 12% rate increase to the current contract rates. This would translate into an approximate annual increase of \$18,000.00. _____ (Initial)
- ii. **Contract Option #2:** Central Valley Sweeping and the City of Kingsburg will extend the current terms conditions and scope of service under a three (3) year contract extension. Under the terms of this new three-year agreement, Central Valley Sweeping will be implementing a 7% rate increase to the current contract rates. This would translate into an approximate annual increase of \$10,500.00. _____ (Initial)
- iii. **Contract Option #3:** Central Valley Sweeping and the City of Kingsburg will extend the current terms conditions and scope of service under a five (5) year contract extension. Under the terms of this new five-year agreement, Central Valley Sweeping will be implementing a 0% rate increase to the current contract rates. This would translate into an approximate annual increase of \$0.00. AH (Initial)

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- IV. No revisions to the current contract would need to be made (all current terms, language and conditions would remain the same).
- V. No changes to the current service schedule would be required at this time. Central Valley Sweeping requests the option to change/adjust the service schedule in the future. Possible reasons for this include: changes to the waste collection schedule, addition of new streets and/or sub-divisions, etc. This would still be based on the City of Kingsburg and Central Valley Sweeping being in mutual agreement on these possible changes.
- VI. The annual cost to the City of Kingsburg will be dependent upon which of the three proposed options the City of Kingsburg and Central Valley Sweeping agree too.
- VII. KINGSBURG'S OPTION TO EXTEND TERM

Unless this Agreement has been sooner terminated, CITY shall have the right to extend the term of this Agreement with automatic renewals for one year periods on the same terms and conditions of this Agreement, including, without limitation the amount of monthly payments identified in Exhibit "A" to this Agreement. If CITY elects not to renew this Agreement, CITY will provide CONTRACTOR with written notice to CONTRACTOR at least thirty (30) days prior to the last day of the applicable one (1) year extended period.

Central Valley Sweeping hopes that the above options will help both the City and our company be able to continue our successful relationship on a long-term basis. We look forward to working with you to find a successful solution to this matter.

NOTE: Please circle the option you would like to select and Initial next to said option

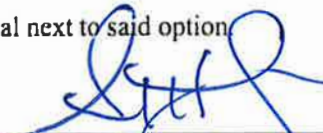


Matthew D. Bawks
President & CEO
(Signature)



Matthew D. Bawks
President & CEO
(Print)

1-29-2021
(Date)



Alex Henderson
Authorized Signer for the
City of Kingsburg, CA
(Signature)



Alex Henderson
Authorized Signer for the
City of Kingsburg, CA
(Print)

2/8/2021
(Date)