

January 12, 2026 – City Council Regular Meeting – 7:00 p.m.



City Council Chamber
390 Towne Centre Drive
Lathrop, California
(209) 941-7200
www.ci.lathrop.ca.us

City Council

Paul Akinjo, Mayor

Jennifer Torres-O'Callaghan, Vice Mayor

Minnie Diallo, Councilmember

Stephen Dresser, Councilmember

Diane Lazard, Councilmember

City Staff

Stephen Salvatore, City Manager

Salvador Navarrete, City Attorney

Michael King, Assistant City Manager

Thomas Hedegard, Deputy City Manager

Stephen Sealy, Chief of Police

Teresa Vargas, Government Services
Director / City Clerk

Brad Taylor, City Engineer

Tony Fernandes, Information Systems Director

Cari James, Finance Director

Juliana Burns, Human Resources Director

Rick Caguiat, Community Development
Director

Todd Sebastian, Parks and Recreation
Director

General Order of Business

1. Preliminary
 - Call to Order
 - Closed Session
 - Roll Call
 - Invocation
 - Pledge of Allegiance
 - Announcements by Mayor/City Mgr.
 - Informational Items
 - Declaration of Conflict of Interest
2. Presentations
3. Citizen's Forum
4. Consent Calendar
5. Scheduled Items
 - Public Hearings
 - Appeals
 - Referrals and Reports from Commissions and Committees
 - All Other Staff Reports and/or Action Items
 - Study Sessions
6. Council Communications
7. Adjournment

Order of Discussion

Generally, the order of discussion after introduction of an item by the Mayor will include comments and information by staff followed by City Council questions and inquiries. The applicant, or their authorized representative, or interested residents, may then speak on the item; each speaker may only speak once to each item. At the close of public discussion, the item will be considered by the City Council and action taken.

Consent Calendar

Items on the Consent Calendar are considered routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless a Councilmember or interested resident so requests, in which case the item will be removed from the Consent Calendar and considered separately.



January 12, 2026 – Regular Meeting Agenda – 7:00 p.m.



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IMPORTANT NOTICE REGARDING THIS MEETING

This public meeting will be conducted in person; all members of the City Council will attend in person. Members of the public are welcome in person. This meeting will also be available for public participation by teleconference via ZoomGov at the following link:

<https://www.zoomgov.com/j/1616712426?pwd=h2lnspYiE58xrpa1nOfJPJMa49Gi5e.1>

- ✚ During the meeting, those joining ZoomGov, will be allowed to speak prior to the close of public comment on an item. If you are using this method, please “raise the hand” feature to inform the City Clerk (meeting host) you wish to speak on the matter. Please ensure your computer speaker and microphone are fully functional.
- ✚ For audio / calling in only, dial: +1 (669) 254-5252 or +1 (669) 216-1590
 - To request to speak (same as the “raise hand” feature) press *9 / When the City Clerk calls your name, press *6 to unmute.
- ✚ Meeting Webinar ID: 161 671 2426 / Passcode: 265095
- ✚ If you are not able to attend the meeting in person or virtually - Public comment / questions will be accepted by email to City Clerk Teresa Vargas at website_cco@ci.lathrop.ca.us. Please refer to the Agenda Item or Public Comment Matter, and the date of the City Council Meeting, in your written communication.
- ✚ Questions or comments submitted by email must be submitted by 4:00 p.m., on the day of the meeting.
- ✚ To address the City Council in person, please submit a purple card to the City Clerk indicating name and number of the item upon which a person wishes to speak.

Council Meetings are live-streamed (with Closed Captioning) on Comcast Cable Channel 97, and on the City Council Webpage: <https://www.ci.lathrop.ca.us/citycouncil/page/live-stream>

Addressing the Council

Any person may speak once on any item under discussion by the City Council after receiving recognition by the Mayor. Purple speaker cards will be available prior to and during the meeting. To address the City Council, a card must be submitted to the City Clerk indicating the name, address and number of the item upon which a person wishes to speak. When addressing the City Council, please walk to the lectern located in front of the City Council. State your name and address. To ensure all persons, have the opportunity to speak, a time limit will be set by the Mayor for each speaker (see instructions on speaker form). In the interest of time, each speaker may only speak once on each individual agenda item; please limit your comments to new material; do not repeat what a prior speaker has said. If you challenge the nature of a proposed action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Citizen's Forum

Any person desiring to speak on a matter, which is not scheduled on this agenda, may do so under the Citizen's Forum section. Please submit your purple speaker card to the City Clerk prior to the commencement of Citizen's Forum or submit your request to speak via the "raise hand" feature in ZoomGov. Only those who have submitted speaker cards, or have expressed an interest in speaking, prior to the conclusion of Citizen's Forum will be called upon to speak. Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item, which does not appear on the agenda, unless the item meets stringent statutory requirements. The Mayor will limit the length of your presentation (see instructions on speaker form) and each speaker may only speak once on this agenda item. Please note, the Council Chamber has limited occupancy due to social distancing.

To leave a voice message for all Councilmembers simultaneously, dial (209) 941-7230. To send an e-mail for Councilmembers simultaneously email: citycouncil@ci.lathrop.ca.us. This City Council Agenda and meeting materials can be accessed by computer or any smart device at: <https://www.ci.lathrop.ca.us/meetings>

General Information

For reports citing supplemental documents relating to specific agenda items, these are available for review in the City Clerk's Office. This agenda was posted at the following locations: City Hall, Community Center, Generations Center, Senior Center, and the Lathrop-Manteca Fire District "J" Street and Somerston Parkway Offices. The meetings of the Lathrop City Council are broadcast on Lathrop Comcast Cable Television Channel 97 and live streamed on the City's website.

Assistance will be provided to those requiring accommodations for disabilities in compliance with the Americans with Disabilities Act of 1990. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility and/or accommodations to this meeting. [28 CFR 35.102-35.104 ADA Title II] Interested persons must request the accommodation at least 2 working days in advance of the meeting by contacting the City Clerk at (209) 941-7230. Information about the City or items scheduled on the agenda may be referred to:

Teresa Vargas, MMC
Government Services Director / City Clerk
390 Towne Centre Drive
Lathrop, CA 95330
Telephone: (209) 941-7230



**CITY OF LATHROP
CITY COUNCIL REGULAR MEETING
MONDAY, JANUARY 12, 2026, 7:00 P.M.
CLOSED SESSION, 6:00 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

AGENDA

PLEASE NOTE: There will be a Closed Session commencing at 6:00 p.m. The Regular Meeting will reconvene at 7:00 p.m., or immediately following the Closed Session, whichever is later.

1. PRELIMINARY

1.1 CALL TO ORDER

1.2 CLOSED SESSION

1.2.1 LIABILITY CLAIM: Pursuant to CA Government Code Section 54956.95

Claimant: Ippolito Caradonna

Agency Claimed Against: City of Lathrop

1.2.2 CONFERENCE WITH LABOR NEGOTIATOR: Pursuant to Government Code Section 54957.6

- Agency Negotiator: Stephen J. Salvatore, City Manager
Employee Organization: Service Employees International Union (SEIU) Local 1021
- Agency Negotiator: Stephen J. Salvatore, City Manager
Employee Organization: Lathrop Mid-Managers and Confidential Employees Association (LMCEA)
- Agency Negotiator: Stephen J. Salvatore, City Manager
Employee Organization: Lathrop Police Officers Association Employees Association (LPOA)
- Agency Negotiator: Stephen J. Salvatore, City Manager
Unrepresented Sworn Classifications: Police Captain, Police Lieutenant
- Agency Negotiator: Stephen J. Salvatore, City Manager
Unrepresented Classifications: Assistant City Manager, Deputy City Manager, Government Services Director/City Clerk, City Engineer, Information Systems Director, Finance Director, Human Resources Director, Community Development Director, Parks and Recreation Director, Chief Building Official

RECONVENE

1.2.3 REPORT FROM CLOSED SESSION

1.3 ROLL CALL

1.4 INVOCATION

1.5 PLEDGE OF ALLEGIANCE

1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

1.7 INFORMATIONAL ITEM(S) - None

1.8 DECLARATION OF CONFLICT(S) OF INTEREST

2. PRESENTATIONS

2.1 INTRODUCTION OF THE 2026 POET LAUREATE AND READING OF POEM - Jose Garcia Martin

2.2 PRESENTATION FROM THE SAN JOAQUIN AREA FLOOD CONTROL AGENCY REGARDING THE DRYLAND LEVEE EXTENSION PROJECT

3. CITIZEN'S FORUM

Any person desiring to speak on a matter which is not scheduled on this agenda may do so under Citizen's Forum. Please submit a purple speaker card to the City Clerk prior to the commencement of Citizen's Forum. Only those who have submitted speaker cards, or have expressed an interest in speaking, prior to the conclusion of Citizen's Forum will be called upon to speak.

Please be aware the California Government Code prohibits the City Council from taking any immediate action on an item, which does not appear on the agenda, unless the item meets stringent statutory requirements. The City Council can, however, allow its members or staff to briefly (no more than five (5) minutes) respond to statements made, to ask questions for clarification, make a brief announcement or report on his or her own activities. (See California Government Code Section 54954.2(a)). Unless directed otherwise by City Council majority, all questions asked and not answered at the meeting will be responded to in writing within 10 business days. ALL PUBLIC COMMENTS MUST BE MADE IN COMPLIANCE WITH THE LATHROP CITY COUNCIL HANDBOOK OF RULES AND PROCEDURES!

4. CONSENT CALENDAR

Items on the Consent Calendar are considered routine by the City Council and will be enacted by one motion and one vote. There will be no separate discussion of these items unless the Mayor, Councilmember, or citizen so requests, in which event the item will be removed from the Consent Calendar and considered separately.

- 4.1 **WAIVING OF READING OF ORDINANCES AND RESOLUTIONS**
Waive the Reading in Full of Ordinances and Resolutions on Agenda and Adopt by Reading of Title Only, Unless Otherwise Requested by the Mayor or a Councilmember
- 4.2 **APPROVAL OF MINUTES**
Approve Minutes for the Regular City Council Meeting of November 10, 2025
- 4.3 **SECOND READING AND ADOPTION OF ORDINANCE 26-477 OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AMEND SECTION 10.24.030 TO TITLE 10 ("VEHICLES AND TRAFFIC") OF THE LATHROP MUNICIPAL CODE TO DESIGNATE NO PARKING AREAS**
Waive Full Reading and Adopt Ordinance 26-477 to Amend Section 10.24.030 to Title 10 ("Vehicles and Traffic") of the Lathrop Municipal Code to Designate No Parking Areas
- 4.4 **REVIEW OF THE CAPITAL FACILITY FEE FUNDS REPORT FOR FY 2024-2025 AND THE FIVE-YEAR CFF FUND REPORT**
Review of the Capital Facility Fee Funds Report for Fiscal Year 2024-2025 and the Five-Year CFF Fund Report
- 4.5 **ACCEPTANCE OF THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2025**
Adopt Resolution to Accept the City of Lathrop Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2025
- 4.6 **APPROVE OUT OF STATE TRAVEL FOR THE MAYOR TO ATTEND THE U.S. CONFERENCE OF MAYORS 94th WINTER MEETING**
Adopt Resolution Authorizing Out of State Travel for the Mayor to Attend the U.S. Conference of Mayors 94th Winter Meeting in Washington, DC, January 27-30, 2026
- 4.7 **APPROVE OUT OF STATE TRAVEL FOR THREE MEMBERS OF COUNCIL TO ATTEND THE 2026 NATIONAL LEAGUE OF CITIES CONGRESSIONAL CITY CONFERENCE**
Adopt Resolution Authorizing Out of State Travel for Three Members of Council to Attend the 2026 National League of Cities Congressional City Conference to Washington D.C., from March 14-18, 2026

- 4.8 APPROVE OUT OF STATE TRAVEL FOR THE ECONOMIC DEVELOPMENT ADMINISTRATOR AND THE COMMUNITY DEVELOPMENT DIRECTOR TO ATTEND THE ICSC LAS VEGAS CONFERENCE IN MAY 2026, AND THE ECONOMIC DEVELOPMENT ADMINISTRATOR TO ATTEND THE IAMC SPRING FORUM IN LITTLE ROCK, ARKANSAS IN APRIL 2026
Adopt Resolution to Authorize Out of State Travel for the Economic Development Administrator and the Community Development Director to Attend and Represent the City of Lathrop at the ICSC Las Vegas Conference in Las Vegas, Nevada from May 18, 2026, to May 20, 2026, and the Economic Development Administrator to Attend the IAMC Spring 2026 Forum on April 18, 2026, to April 22, 2026
- 4.9 APPROVE OUT OF STATE TRAVEL FOR TWO CITY STAFF TO ATTEND THE TYLER CONNECT 2026 CONFERENCE
Adopt Resolution to Authorize Out of State Travel for the Accounting Manager and Utility and Revenue Services Manager to Attend the Tyler Connect 2026 Conference in Las Vegas, Nevada from April 7 – 10, 2026
- 4.10 ESTABLISH THE CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM AND AUTHORIZE CITY MANAGER TO CONTRACT FOR SERVICES
Adopt Resolution to Establish the City of Lathrop Police Department Tow Rotation Service Policies and Associated Fees for Participation in the Lathrop Police Department Tow Rotation Program and Authorize the City Manager to Enter into Contracts for Tow Services with up to Five (5) Tow Service Providers
- 4.11 RATIFY EMERGENCY SERVICE CONTRACT WITH ADVANCED INTEGRATION & CONTROLS TO PROVIDE TECHNICAL SERVICES AND SUPPORT FOR CONTROL SYSTEMS HARDWARE AND SOFTWARE
Adopt Resolution to Ratify an Emergency Service Contract with Advanced Integration & Controls to Provide Technical Services and Support for Control Systems Hardware and Software
- 4.12 APPROVE CHANGE ORDER NO. 36 FOR LANDSCAPE MAINTENANCE WITH DAVID SILVA, DBA SILVA LANDSCAPE TO ADD QUEIROLO PARK, AND APPROVE THE ASSOCIATED BUDGET AMENDMENT
Adopt Resolution to Approve Contract Change Order No. 36 with David Silva, dba Silva Landscape to Add Queirolo Park, and Approve the Associated Budget Amendment
- 4.13 APPROVE A CONSTRUCTION CONTRACT WITH UNITED PAVEMENT MAINTENANCE, INC., FOR SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20 AND APPROVE BUDGET AMENDMENT
Adopt Resolution Approving a Construction Contract with United Pavement Maintenance, Inc., for Spartan Way Traffic Safety Enhancements, CIP PS 26-20 and Approve Budget Amendment

- 4.14 ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH EP NO. 21-83, LOCATED AT 17401 MANTHEY ROAD, FROM MANTHEY ROAD INVESTMENTS, LLC

Adopt Resolution to Accept Public Improvements Associated with Encroachment Permit No. 21-83, Located at 17401 Manthey Road from Manthey Road Investments, LLC

- 4.15 ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH EP NO. 22-128, LOCATED AT 1500 E. MADRUGA ROAD, FROM CUNHA TRUCKING

Adopt Resolution to Accept Public Improvements Associated with Encroachment Permit No. 22-128, Located at 1500 E. Madrugá Road, from Cunha Trucking

5. SCHEDULED ITEMS

- 5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER AMENDMENTS TO CHAPTER 2.20 YOUTH ADVISORY COMMISSION OF THE LATHROP MUNICIPAL CODE (LMC)

City Council to Consider the Following:

1. Hold a Public Hearing; and
2. First Reading and Introduction of an Ordinance to Amend the Lathrop Municipal Code (LMC) Section 2.20.020 "Membership", Section 2.20.030 "Term of Office" and Section 2.20.060 "Duties and Responsibilities"

- 5.2 REVIEW AND CONSIDER RED-LIGHT SAFETY CAMERAS AT THE INTERSECTIONS OF RIVER ISLANDS PARKWAY & MCKEE BOULEVARD, LATHROP ROAD & 5TH STREET/WOODFIELD DRIVE, AND GOLDEN VALLEY PARKWAY & SPARTAN WAY

Council to Consider Red-Light Safety Cameras at the Intersections of River Islands Parkway & McKee Boulevard, Lathrop Road & 5th Street/Woodfield Drive, and Golden Valley Parkway & Spartan Way

6. COUNCIL COMMUNICATIONS

- 6.1 COUNCILMEMBER DIALLO REFERRAL - Discuss and Request Creating a 2x2 Committee between the City of Lathrop and San Joaquin County Sheriff's Office for Matters Related to a Proposed Memorandum of Understanding Regarding Jurisdictional Waterways in Lathrop

- 6.2 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

- *Central Valley Executive Committee/LOCC (Akinjo/Diallo)*
- *SJ Co. Council of Governments (Akinjo/Diallo)*
- *SJ Co. Council of Governments Executive Committee (Akinjo)*
- *Integrated Waste Management Task Force (Dresser/Torres-O'Callaghan)*
- *Reclamation District 17 Joint Powers Authority (Salvatore)*
- *San Joaquin Partnership Board of Directors (Salvatore)*
- *San Joaquin County Commission on Aging (Vacancy)*
- *San Joaquin Valley Air Pollution Control District (Dresser/Akinjo)*
- *SJ Co. Water Advisory Board (Torres-O'Callaghan/Lazard)*

- *Tri Valley-San Joaquin Valley Regional Rail Authority (Akinjo)*
- *San Joaquin Area Flood Control Agency (Dresser/Lazard/Torres-O'Callaghan)*
- *Ava Community Energy (Diallo/Dresser)*
- *Local Agency Formation Commission (LAFCo) (Diallo)*

6.3 MAYOR & COUNCILMEMBER COMMENT(S)

7. ADJOURNMENT

/Teresa Vargas/

Teresa Vargas, MMC
Government Services Director
City Clerk

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ITEM 4.2

**CITY OF LATHROP
CITY COUNCIL REGULAR MEETING
MONDAY, NOVEMBER 10, 2025, 7:00 P.M.
CLOSED SESSION, 6:30 P.M.
COUNCIL CHAMBER, CITY HALL
390 Towne Centre Drive
Lathrop, CA 95330**

MINUTES

PLEASE NOTE: There was a Closed Session, which commencing at 6:31 p.m. The Regular Meeting reconvened at 7:02 p.m.

1. PRELIMINARY

1.1 CALL TO ORDER – Mayor Akinjo called the meeting to order at 6:31 p.m. and adjourned to Closed Session.

1.2 CLOSED SESSION

1.2.1 LIABILITY CLAIM: Pursuant to California Government Code Section 54956.95:

- Claimant: Ayden Horn
Agency Claimed Against: City of Lathrop

RECONVENE – Mayor Akinjo reconvened the meeting at 7:02 p.m.

1.2.2 REPORT FROM CLOSED SESSION

City Attorney Salvador Navarrete reported that the City Council met in closed session pursuant to Item 1.2 and approved the claim by a 4–0 vote.

1.3 ROLL CALL

Present: Mayor Akinjo; Vice Mayor Torres-O’Callaghan; and Councilmembers: Dresser and Lazard

Absent: Councilmember Diallo

1.4 INVOCATION – Pastor Christian Figueroa, Home Church, provided the invocation.

1.5 PLEDGE OF ALLEGIANCE – Pastor Figueroa led the pledge of allegiance.

1.6 ANNOUNCEMENT(S) BY MAYOR / CITY MANAGER

City Manager Stephen Salvatore invited to the 2025 Veterans Day Celebration scheduled for Tuesday, November 11, 2025, at 11:00 AM at the Lathrop Community Center.

1.7 INFORMATIONAL ITEM(S) - None

1.8 DECLARATION OF CONFLICT(S) OF INTEREST –

Councilmember Dresser requested clarification from City Attorney Salvador Navarrete regarding Item 4.9 and a potential conflict of interest related to his membership in the Lathrop Rotary Club. After a brief discussion between City Attorney Navarrete and Councilmember Dresser, it was clarified that no financial interest existed; therefore, no conflict of interest was declared.

2. PRESENTATIONS

2.1 CERTIFICATES OF RECOGNITION TO VARIOUS ORGANIZATIONS:

Mayor Akinjo on behalf of the Lathrop City Council presented certificates of recognition to the following individuals for their community involvement:

- Sahithi Kuchipudi Kalashetram
- Manteca Indians Durga Puja Committee
- Mitra, USA

Speakers Gutanjali Barani, Sujalita Bharadwaj and Sahithilatha Bandan provided remarks.

2.2 PROCLAMATION DECLARING NOVEMBER 2025 AS SIKH AWARENESS MONTH

Mayor Akinjo on behalf of the Lathrop City Council presented a proclamation to Supervisor Sonny Dhaliwal declaring November 2025 as Sikh Awareness Month.

2.3 QUARTERLY ECONOMIC DEVELOPMENT UPDATE

Economic Development Administrator Barbara Harb provided the quarterly economic development update and quarterly presentation.

3. CITIZEN'S FORUM - None

4. CONSENT CALENDAR

On a motion by Vice Mayor Torres-O'Callaghan, seconded by Councilmember Lazard, the City Council approved the Consent Calendar, by the following roll call vote unless otherwise noted:

Ayes:	Dresser, Lazard, Torres-O'Callaghan and Akinjo
Noes:	None
Absent:	Diallo
Abstain:	None

4.1 WAIVING OF READING OF ORDINANCES AND RESOLUTIONS

Waived the reading in full of ordinances and resolutions on agenda and adopt by reading of title only, unless otherwise requested by the Mayor or a Councilmember.

4.2 APPROVAL OF MINUTES

Approved Minutes for the Regular City Council Meeting of September 8, 2025

4.3 SECOND READING AND ADOPTION OF ORDINANCE 25-474 OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AMEND LATHROP MUNICIPAL CODE SECTION 12.04.010 "DEFINITIONS" AND SECTION 12.20.010 "CONDUCT IN CITY PARKS – PROHIBITED ACTIONS"

Waived full reading and adopted **Ordinance 25-474** amending Code Section 12.04.010 "Definitions" and Section 12.20.010 "Conduct in City Parks – Prohibited Actions" of the Lathrop Municipal Code.

4.4 TREASURER'S REPORT FOR SEPTEMBER 2025

Approved Quarterly Treasurer's Report for September 2025.

4.5 COMMUNITY FACILITIES DISTRICTS ANNUAL BOND ACCOUNTABILITY REPORT FOR FY 2024-25

No City Council action taken, the City Council received the report provided.

4.6 AUTHORIZE THE POSTPONEMENT OF DELINQUENT UTILITY TURN-OFFS FOR DECEMBER 2025

Adopted **Resolution 25-5908** approving the suspension of service disconnections in the month of December 2025 for all delinquent accounts.

- 4.7 AUTHORIZE ACCEPTANCE OF THE FY25 SAFER OUTCOMES GRANT AWARD FROM THE U.S. DEPARTMENT OF JUSTICE (DOJ), OFFICE OF COMMUNITY ORIENTED POLICING SERVICES (COPS), APPROVE CREATION OF PROJECT GG 26-24, AND RELATED BUDGET AMENDMENT

Adopted **Resolution 25-5909** authorizing the acceptance of the FY25 Safer Outcomes Grant Fund Award of \$215,389 from the U.S. Department of Justice (DOJ), Office of Community Oriented Policing Services (COPS), creation of CIP GG 26-24, and approving related budget amendment.

- 4.8 APPROVE PLANNING FEE WAIVER REQUEST BY HOME CHURCH (TUP-25-141)

Adopted **Resolution 25-5910** waiving the Temporary Use Permit application processing and document retention fees for Home Church, in the Combined Amount of \$392.

- 4.9 APPROVE 2025 AND 2026 FACILITY FEE WAIVER REQUESTS FROM LATHROP LITTLE LEAGUE, LATHROP LIONS CLUB, LATHROP SUNRISE ROTARY, RIVER ISLANDS HIGH SCHOOL BASEBALL, ALCOHOLICS ANONYMOUS, AND LIFT UP YOUR HEAD THERAPEUTIC HOMES, INC.

1. Adopted **Resolution 25-5911** approving Facility Fee Waiver Request from Lathrop Little League;
2. Adopted **Resolution 25-5912** approving Facility Fee Waiver Request from Lathrop Lions Club;
3. Adopted **Resolution 25-5913** approving Facility Fee Waiver Request from Lathrop Sunrise Rotary;
4. Adopted **Resolution 25-5914** approving Facility Fee Waiver Request from River Islands High School Baseball;
5. Adopted **Resolution 25-5915** approving Facility Fee Waiver Request from Alcoholics Anonymous; and
6. Adopted **Resolution 25-5916** approving Facility Fee Waiver Request from Lift Up Your Head Therapeutic Homes, Inc.

- 4.10 APPROVE THE TEMPORARY STREET CLOSURES FOR THE LATHROP CHRISTMAS PARADE AND TREE LIGHTING ON DECEMBER 6, 2025, FOR THOMSEN ROAD, J STREET, AND 5TH STREET

Adopted **Resolution 25-5917** approving temporary street closures for the Lathrop Christmas Parade and Tree Lighting on December 6, 2025, for Thomsen Road, J Street, and 5th Street.

- 4.11 APPROVE OUT OF STATE TRAVEL FOR COUNCIL MEMBERS TO ATTEND THE 2025 NATIONAL LEAGUE OF CITIES CITY SUMMIT

Adopted **Resolution 25-5918** authorizing out of state travel for three Council Members to attend the 2025 National League of Cities City Summit in Salt Lake City, Utah, November 18-23, 2025.

- 4.12 APPROVE OUT OF STATE TRAVEL AUTHORIZING THE PARKS AND RECREATION SUPERVISOR TO ATTEND THE 2026 MUNICIPAL SPECIAL EVENTS SUMMIT IN VIRGINIA BEACH, VIRGINIA

Adopted **Resolution 25-5919** authorizing out of state travel for the Parks and Recreation Supervisor to attend the 2026 Municipal Special Events Summit from February 16-19 2026, in Virginia Beach, Virginia.

- 4.13 APPROVE OF OUT OF STATE TRAVEL FOR TWO (2) INFORMATION SYSTEMS DEPARTMENT (ISD) STAFF MEMBERS AND (1) GOVERNMENT SERVICES DIRECTOR/CITY CLERK DEPARTMENT STAFF MEMBER TO ATTEND THE 2026 LASERFICHE EMPOWER CONFERENCE

Adopted **Resolution 25-5920** approving out of state travel for two Information Systems Department (ISD) staff members and the Government Services Director/City Clerk to attend the 2026 Laserfiche Empower Conference in Las Vegas, Nevada, April 27-30, 2026, and approved a budget amendment to the ISD training and travel budget.

- 4.14 APPROVE OUT OF STATE TRAVEL FOR THE GOVERNMENT SERVICES DIRECTOR/CITY CLERK TO ATTEND THE INTERNATIONAL INSTITUTE OF MUNICIPAL CLERKS (IIMC) 2026 ANNUAL CONFERENCE

Adopted **Resolution 25-5921** authorizing out of state travel for the Government Services Director/City Clerk to attend the International Institute of Municipal Clerks (IIMC) 2026 Annual Conference in Reno, Nevada, May 15 -21, 2026.

- 4.15 APPROVE PARCEL MAP 25-03 FOR 11 COMMERCIAL LOTS LOCATED IN THE CLSP COMMERCIAL AREA

Adopted **Resolution 25-5922** approving Parcel Map 25-03 for 11 commercial lots located in the Central Lathrop Specific Plan Commercial Area.

- 4.16 APPROVE SELECTION OF A CONCEPTUAL DESIGN OF LATHROP MULTI-PURPOSE COMMUNITY CENTER COMPLEX, CIP PK 22-05

Adopted **Resolution 25-5923** approving conceptual design for the Lathrop Multi-Purpose Community Center Complex, CIP PK 22-05.

- 4.17 APPROVE SUBMITTAL OF LOUISE AVENUE AND INTERSTATE 5 INTERCHANGE, CIP PS 06-06 FOR THE 2026 SJCOG ONE VOICE PROJECT NOMINATIONS

Adopted **Resolution 25-5924** approving submittal of Louise Avenue and Interstate 5 Interchange, CIP PS 06-06 for the 2026 San Joaquin Council of Governments One Voice project nominations

- 4.18 APPROVE BUDGET AMENDMENT FOR THE MOSSDALE WASTEWATER PUMP STATION ACCESS MODIFICATIONS AND UPGRADES PROJECT, CIP WW 26-09

Adopted **Resolution 25-5925** approving budget amendment for the Mossdale Wastewater Pump Station Access Modifications and Upgrades Project, CIP WW 26-09.

- 4.19 ACCEPT PUBLIC IMPROVEMENTS IN TRACT 4151 WITH CONDITIONS FROM D.R. HORTON BAY, INC.

Adopted **Resolution 25-5926** accepting public improvements in Tract 4151 with conditions from D.R. Horton Bay, Inc.

- 4.20 CREATE HOWLAND ROAD PAVEMENT REHABILITATION, CIP PS 26-23, AND APPROVE BUDGET AMENDMENT

Adopted **Resolution 25-5927** creating Howland Road Pavement Rehabilitation Project, CIP PS 26-23, and approving budget amendment.

- 4.21 CREATE LATHROP ROAD AND HARLAN ROAD PAVEMENT REHABILITATION, CIP PS 26-25, AND APPROVE BUDGET AMENDMENT

Adopted **Resolution 25-5928** creating Lathrop Road and Harlan Road Pavement Rehabilitation Project, CIP PS 26-25, and approving related budget amendment.

5. SCHEDULED ITEMS

- 5.1 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER THE 2026 SJMSCP DEVELOPMENT FEE ANNUAL ADJUSTMENT

Community Development Director Rick Caguiat provided the presentation. Mayor Akinjo opened the public hearing. There were no public speakers. A question and answer period ensued amongst members of the City Council. Steve Mayo with the San Joaquin Council of Governments provided additional information. Mayor Akinjo closed the public hearing.

On a motion by Councilmember Torres-O'Callaghan, and seconded by Councilmember Lazard, the City Council considered the following:

1. Held a public hearing; and
2. Adopted **Resolution 25-5929** approving an annual adjustment to the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) Development Fee for 2026.

Ayes: Dresser, Lazard, Torres-O'Callaghan and Akinjo
Noes: None
Absent: Diallo
Abstain: None

5.2 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER AN ORDINANCE OF THE CITY OF LATHROP TO ADD SECTIONS 13.04.125 AND 13.16.125 TO TITLE 13 ("PUBLIC SERVICES") OF THE LATHROP MUNICIPAL CODE TO ESTABLISH CAPACITY ALLOCATION AND CONSUMPTION REVIEW

City Engineer Brad Talor provided the presentation. Mayor Akinjo opened the public hearing. There were no public speakers. Mayor Akinjo closed the public hearing.

On a motion by Councilmember Torres-O'Callaghan, and seconded by Councilmember Lazard, the City Council considered the following:

1. Held a public hearing; and
2. Introduced and held first reading of an ordinance adding Sections 13.04.125 and 13.16.125 to Title 13 ("Public Services") of the Lathrop Municipal Code to establish capacity allocation and consumption review.

Ayes: Dresser, Lazard, Torres-O'Callaghan and Akinjo
Noes: None
Absent: Diallo
Abstain: None

5.3 PUBLIC HEARING (PUBLISHED NOTICE) TO CONSIDER AN ORDINANCE OF THE CITY OF LATHROP TO AMEND TITLE 13 ("PUBLIC SERVICES") OF THE LATHROP MUNICIPAL CODE TO ESTABLISH A GENERAL DEFINITION OF "PUBLIC WORKS DIRECTOR"

City Engineer Brad Talor provided the presentation. Mayor Akinjo opened the public hearing. There were no public speakers. Mayor Akinjo closed the public hearing.

On a motion by Councilmember Torres-O'Callaghan, and seconded by Councilmember Lazard, the City Council considered the following:

1. Held a public hearing; and
2. Introduced and held first reading of an ordinance amending Title 13 ("Public Services") of the Lathrop Municipal Code to Establish a General and Consistent Definition of "Public Works Director"

Ayes: Akinjo, Diallo, Lazard, Torres-O'Callaghan and Dhaliwal
Noes: None
Absent: None
Abstain: None

6. COUNCIL COMMUNICATIONS

- 6.1 MAYOR'S REFERRAL – Discuss Approval of an Annual Celebratory Event Recognizing Lathrop's Sisterhood with the City of Bacarra Ilocos Norte, Philippines

Mayor Akinjo provided a summary of the referral, and a question and answer period followed. By consensus, the City Council accepted the referral. The item will be agendized for formal discussion during a future meeting.

- 6.2 VICE MAYOR TORRES-O'CALLAGHAN REFERRAL – Discuss and Consider Installation of Camera Systems by all School Crosswalks

Vice Mayor Torres-O'Callaghan provided a summary of the referral, and a question and answer period followed. City Engineer Brad Taylor and Police Chief Stephen Sealy provided additional information. By consensus, the City Council accepted the referral. The item will be agendized for formal discussion during a future meeting.

- 6.3 COUNCILMEMBER DIALLO REFERRAL - Discuss and Request Creating a 2x2 Committee between the City of Lathrop and San Joaquin County Sheriff's Office for Matters Related to a Proposed Memorandum of Understanding Regarding Jurisdictional Waterways in Lathrop

Due to the absence of Councilmember Diallo, this item was moved to the next Regular City Council Meeting.

- 6.4 MAYOR & COUNCILMEMBER COMMITTEE REPORT(S)

Vice Mayor Torres-O'Callaghan provided a summary of her attendance to the most recent meeting of the San Joaquin County Water Advisory Board. Mayor Akinjo commented on the matter.

- 6.5 MAYOR & COUNCILMEMBER COMMENT(S)

Councilmember Dresser commented on various topics, such as a recent presentation provided by Ava Energy, Veteran's Day celebration and the Annual Rotary Thanksgiving Dinner. Vice Mayor Torres-O'Callaghan thanked police and fire for recent community events.

7. **ADJOURNMENT** – There being no further business, Mayor Akinjo adjourned the meeting at 8:39 p.m., in loving memory of Bennie Gatto.

Teresa Vargas, MMC
Government Services Director, City Clerk

ITEM 4.3

CITY MANAGER'S REPORT JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

ITEM: **SECOND READING AND ADOPTION OF ORDINANCE 26-477 OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AMEND SECTION 10.24.030 TO TITLE 10 ("VEHICLES AND TRAFFIC") OF THE LATHROP MUNICIPAL CODE TO DESIGNATE NO PARKING AREAS**

RECOMMENDATION: **Waive Full Reading and Adopt Ordinance 26-477 to Amend Section 10.24.030 to Title 10 ("Vehicles and Traffic") of the Lathrop Municipal Code to Designate No Parking Areas**

RECOMMENDED ACTION:

The City Council to conduct a second reading and adopt Ordinance 26-477 entitled:

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AMEND SECTION 10.24.030 TO TITLE 10 ("VEHICLES AND TRAFFIC") OF THE LATHROP MUNICIPAL CODE TO DESIGNATE NO PARKING AREAS

SUMMARY:

On December 8, 2025, the City Council approved the introduction and first reading of the subject Ordinance by the following vote:

AYES: Dresser, Lazard, Torres-O'Callaghan, and Akinjo

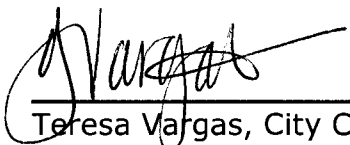
NOES: None

ABSTAIN: None


ABSENT: Diallo

The Ordinance will take effect 30 days after adoption.

SUBMITTED BY:



Teresa Vargas, City Clerk



Date

ORDINANCE NO. 26-477

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AMEND SECTION 10.24.030 TO TITLE 10 ("VEHICLES AND TRAFFIC") OF THE LATHROP MUNICIPAL CODE TO DESIGNATE NO PARKING AREAS

WHEREAS, pursuant to California Vehicle Code (CVC) Section 22507, the City is required to establish No Parking Areas within the City limits by ordinance; and

WHEREAS, staff has identified necessary modifications and additions to Lathrop Municipal Code Section (LMC) 10.24.030 titled "Designated No Parking Areas" to support safer streets and a cleaner environment by addressing littering and loitering concerns; and

WHEREAS, staff request that the City Council consider amending LMC Section 10.24.030, as shown in Exhibit A incorporated by reference herein.

NOW, THEREFORE, BE IT ORDAINED that the City Council of the City of Lathrop does hereby approve amending Section 10.24.030 entitled "Designated No Parking Areas" of the Lathrop Municipal Code as shown in Exhibit A, incorporated by reference herein.

Section 1. The Lathrop Municipal Code is hereby amended as shown in Exhibit A, attached hereto and incorporated by reference herein.

Section 2. Duty of Care This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the city or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3. Severability. If any section, subsequent subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the unconstitutionality or invalidity of any section, subsection, subdivision, paragraph, sentence, clause or phrase.

Section 4. Effective Date. This Ordinance shall take legal effect 30 days from and after the date of its passage.

Section 5. Publication. Within fifteen days of the adoption of this Ordinance, the City Clerk shall make a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.

THIS ORDINANCE was introduced at a regular meeting of the City Council of the City of Lathrop on the 8th day of December 2025, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the ____ day of ____ 20____, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Paul Akinjo, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk

Salvador Navarrete, City Attorney

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EXHIBIT A

Title 10. Vehicles and Traffic

Chapter 10.24 PARKING

[...]

§ 10.24.030 Designated No Parking Areas

Upon amendment by ordinance prohibiting parking on certain streets and/or highways within the corporate limits of the City, as depicted below, the Director of Public Works is directed to place appropriate signs and/or markings sufficient to give adequate notice of such no parking areas. Until appropriate signs and/or markings sufficient to give adequate notice of such no parking areas, as depicted below, is provided by the Director of Public Works, no enforcement of the provisions of this section shall occur.

Pursuant to the provisions of the California Vehicle Code, the following no parking zones (unless noted as time-limited parking) are created or affirmed if previously created in the corporate limits of the City of Lathrop:

Street	Side	Location
Academy Drive	North	Beginning at the centerline of Somerston Parkway, thence running easterly to the centerline of River Bend Drive, an approximate distance of 2,000 feet.
Barbara Terry Boulevard	Both	Beginning at the centerline of Spartan Way, thence running easterly to the centerline of Sunol Street, an approximate distance of 5,860 feet.
Bewick Drive	Both	Beginning at the centerline of Warbler Place, thence running southerly to the centerline of Isidore Way, an approximate distance of 170 feet.
Bluebird Street	Both	Beginning at the centerline of Spartan Way, thence running southerly to the centerline of Osprey Drive, an approximate distance of 180 feet.
Bosch Avenue	Both	Beginning at the centerline of Middlebury Drive, thence running northerly to the centerline of Mulholland Drive, an approximate distance of 1,850 feet.
Briarstone Lane	Both	Entire length.
Brookhurst Boulevard	Both	Beginning at the centerline of Manthey Road, thence running westerly to the centerline of McKee Boulevard, an approximate distance of 1,350 feet.
Business Park Court	Both	Entire length.
Callerton Avenue	Both	Entire length.
Cedar Ridge Court	Southwest	Beginning from the south end of the driveway to 14917 Cedar Ridge Court, thence running easterly an approximate distance of 30 feet.
Central Pacific Street	Both	Beginning at the centerline of Spartan Way, thence running southerly to the centerline of Albany Street, an approximate distance of 200 feet.
Christopher Way	Both	Beginning at the centerline of D'Arcy Parkway, thence running southwesterly an approximate distance of 3,000 feet.
Commercial Street	Both	Beginning at the centerline of Academy Drive, thence running northerly to the centerline of Marina Drive, an approximate distance of 1,300 feet.
Crescent Moon Drive	North	Beginning at the centerline of McKee Boulevard, thence running easterly, an approximate distance of 50 feet.
D'Arcy Parkway	North	Entire length.
D'Arcy Parkway	South	Beginning at the centerline of Harlan Road, thence running easterly, an approximate distance of 450 feet. Allow 30 minute parking.
D'Arcy Parkway	South	Beginning at 450 feet east of the centerline of Harlan Road Boulevard, thence running easterly, an approximate distance of 6,300 feet.
Dell'Osso Drive	Both	Entire length.

Street	Side	Location
Dos Reis Road	Both	Entire length.
Fifth Street	East	Beginning at the centerline of Thomsen Road, thence running southerly an approximate distance of 165 feet.
Fifth Street	West	Beginning at the centerline of Mingo Way, thence running southerly to the centerline of Louise Avenue, an approximate distance of 500 feet.
Fifth Street	West	Beginning at the centerline of N Street, thence running southerly to the centerline of O Street, an approximate distance of 400 feet. Prohibit parking between the hours of 8:30 a.m. to 2:30 p.m., Monday through Friday. Allow temporary loading/unloading of vehicle passengers between the hours of 8:00 a.m. to 8:30 a.m. and 2:30 p.m. to 3:00 p.m., Monday through Friday. Allow parking between the hours of 3:00 p.m. and 8:00 a.m., Monday through Friday and anytime on Saturday and Sunday.
Golden Spike Trail	West	Beginning at the centerline of Brookhurst Boulevard, thence running north an approximate distance of 750 feet. Prohibit parking from the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday. Allow parking between the hours of 5:00 p.m. to 8:00 a.m., Monday through Friday and anytime on Saturday and Sunday.
Golden Spike Trail	East	Beginning at the centerline of Brookhurst Boulevard, thence running north an approximate distance of 250 feet. Prohibit parking from the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday. Allow parking between the hours of 5:00 p.m. to 8:00 a.m., Monday through Friday and anytime on Saturday and Sunday.
Golden Valley Parkway	Both	Entire length within city limits.
Glacier Street	Both	Entire length.
Harlan Road	Both	Beginning at the northerly city limits, thence running south to cul-de-sac.
Haverhill Lane	Both	Entire length.
Howland Road	Both	Entire length.
Imperial Drive	West	Beginning at the centerline of Holborn Drive, thence running southerly to Marina Drive roundabout, an approximate distance of 65 feet.
Isidore Way	Both	Beginning at the centerline of Stanford Crossing, thence running westerly to the centerline of Loon Street, an approximate distance of 930 feet.
Jefferson Way	Both	Entire length.
Johnson Ferry Road	Both	Beginning at the centerline of Golden Spike Trail, thence running easterly to centerline of Colonial Trail, an approximate distance of 1,815 feet.
Lakeside Drive	Both	Entire length.
Lathrop Road	Both	Beginning at the centerline of Golden Valley Parkway, thence running easterly to the eastern city limits an approximate distance of 9,500 feet.
Locomotive Street	Both	Beginning at the centerline of Golden Valley Parkway, thence running westerly to the centerline of Saybrook Street, an approximate distance of 200 feet.
Louise Avenue	Both	Entire length.
Madruga Road	Both	Beginning at the centerline of Yosemite Avenue, thence running westerly to the centerline of Glacier Street, an approximate distance of 770 feet.
Manthey Road	Both	Beginning at south city limits, thence running northerly to city limits an approximate distance of 28,400 feet.
Marina Drive	Both	Beginning at the centerline of Somerston Parkway, thence running easterly to the centerline of River Bend Drive, an approximate distance of 2,400 feet.
Marina Drive	South	Beginning at the centerline of Leto Way, thence running westerly to the centerline of Silver Springs Way, an approximate distance of 1,050 feet.
McKee Boulevard	Both	Beginning at the centerline of Crescent Moon Drive, thence running northerly and southerly an approximate distance of 85 feet.
McKinley Avenue	Both	Entire length within City limits.
Mossdale Road	Both	Entire length within city limits.
Murphy Parkway	Both	Beginning at the centerline of D'Arcy Parkway, thence running northerly to the end.
Murphy Parkway	Both	Beginning at the centerline of Tesla Drive, thence running northerly to the centerline of D'Arcy Parkway, an approximate distance of 1,500 feet. Allow parking during the hours from 6:00 a.m. to 10:00 p.m. Prohibit parking from 10:00 p.m. to 6:00 a.m. Prohibit parking of vehicles over 5 tons.

Street	Side	Location
Tesla Drive	Both	Beginning at the centerline of Harlan Road, thence running easterly to the centerline of Murphy Parkway, an approximate distance of 1,530 feet.
Tesla Drive	Both	Beginning at the centerline of Murphy Parkway, thence running easterly to the centerline of Christopher Way, an approximate distance of 1,900 feet. Allow parking during the hours from 6:00 a.m. to 10:00 p.m. Prohibit parking from 10:00 p.m. to 6:00 a.m. Prohibit parking of vehicles over 5 tons.
O Street	North	Beginning at an approximate distance of 125 feet east of the centerline of Halmar Lane, thence running easterly an approximate distance of 680 feet to Fifth Street. Prohibit parking from the hours of 8:30 a.m. and 2:30 p.m., Monday through Friday. Allow temporary loading/unloading of vehicle passengers from the hours of 8:00 a.m. and 8:30 a.m. and 2:30 p.m. to 3:00 p.m., Monday through Friday. Allow parking between the hours of 3:00 p.m. to 8:00 a.m., Monday through Friday and anytime on Saturday and Sunday. Prohibit parking anytime 50 feet east and west of the centerline of Matador Way.
O Street	South	Beginning at an approximate distance of 90 feet west from the centerline of Matador Way, thence running west an approximate distance of 40 feet.
Oberlin Avenue	Both	Beginning at the centerline of Marina Drive, thence running northerly to the centerline of Garden Farms Avenue, an approximate distance of 1,400 feet.
Old Harlan Road	Both	Entire length, north and south of Lathrop Road.
Old Harlan Road	Both	Entire length south of Louise Avenue.
Old Harlan Road	East	Beginning at the centerline of Louise Avenue, thence running north an approximate distance of 310 feet. Allow parking during the hours from 6:00 a.m. to 10:00 p.m. Prohibit parking from 10:00 p.m. to 6:00 a.m. Prohibit parking of vehicles over 5 tons.
Old Harlan Road	West	Beginning at an approximate distance of 100 feet south from the centerline of South Harlan Road, thence running south an approximate distance of 100 feet. Allow parking during the hours from 6:00 a.m. to 10:00 p.m. Prohibit parking from 10:00 p.m. to 6:00 a.m. Prohibit parking of vehicles over 5 tons.
Paradise Road	Both	Entire length within city limits.
Pleasant Road	Both	Beginning at the centerline of Isidore Way, thence running southerly to the centerline of Folktale Way, an approximate distance of 180 feet.
Quartz Way	East	Beginning at the southerly boundary of 13580 Quartz Way (lot 15), thence running southerly to the northern boundary of 13590 Quartz Way (lot 14), an approximate distance of 20 feet for Emergency Vehicle Access.
Riptide Way	Both	Entire length.
River Islands Parkway	Both	Entire length within city limits.
Roll Tide Way	Both	Entire length.
Roth Road	Both	Entire length within city limits.
Sadler Oak Drive	Both	Entire length.
Sandhill Crane Road	Both	Entire length.
Seventh Street	Both	Beginning at the centerline of Fifth Street, thence running easterly along Seventh Street for an approximate distance of 600 feet.
Sierra Mar Road	Both	Beginning at the centerline of Barbara Terry Boulevard, thence running westerly to the centerline of Testarossa Street, an approximate distance of 175 feet.
Somerston Parkway	Both	Entire length.
Somerville Street	Both	Entire length
Spartan Way	Both	Beginning at the centerline of Golden Valley Parkway, thence running westerly to an approximate distance of 850 feet north of the centerline of Hidden Cove Place.
Stanford Crossing Drive	Both	Entire length.
Stewart Road	Both	Beginning at a point 550 feet north of the centerline of the Union Pacific Railroad tracks (formerly southern Pacific Railroad tracks), thence running southerly along Stewart Road an approximate distance of 1,450 feet to the centerline of Manthey Road.
Stonebridge Lane	Both	Beginning at a point that is on the east right-of-way line of Harlan Road, thence running easterly to the centerline of Slate Street, an approximate distance of 2,400 feet.

Street	Side	Location
Thomsen Road	Both	Beginning at the east right-of-way of Harlan Road, thence running easterly for an approximate distance of 200 feet.
Thomsen Road	South	Beginning at a point approximately 200 feet east of the right-of-way of Harlan Road, thence running easterly an approximate distance of 400 feet to the centerline of Lisa Lane. Allow parking during the hours from 6:00 a.m. to 10:00 p.m. Prohibit parking from 10:00 p.m. to 6:00 a.m.
Thomsen Road	North	Beginning at a point approximately 200 feet east of the right-of-way of Harlan Road, thence running easterly an approximate distance of 200 feet. Allow parking during the hours from 6:00 a.m. to 10:00 p.m. Prohibit parking from 10:00 p.m. to 6:00 a.m.
Top of San Joaquin River levee in RD-17 and all levee access points	Both	Beginning at the northern city limit line, following the levee until the centerline of Manthey Road.
Towne Centre Drive	Both	Beginning at the centerline of Manthey Road, thence westerly to the centerline of Golden Valley Parkway. Allow parking for up to two hours between 6:00 a.m. to 10:00 p.m. Prohibit parking between the hours of 10:00 p.m. and 6:00 a.m.
Towne Centre Drive	Both	Beginning at the centerline of Golden Valley Parkway, thence running westerly an approximate distance of 400 feet.
Winton Avenue	Both	Entire length.
Woodfield Drive	Both	Beginning at the centerline of Lathrop Road, thence running northerly to the centerline of Long Barn Drive, an approximate distance of 450 feet.
Yosemite Avenue	North	Beginning at the centerline of McKinley Avenue, thence running easterly to city limits.
Yosemite Avenue	South Both	Beginning at the centerline of McKinley Avenue, thence running westerly <u>to the centerline of Jefferson Way</u> an approximate distance of 3,000 feet.
Yosemite Avenue	Both	Beginning 800 feet east of the right of way of State Route 120, thence running westerly to the centerline of Jefferson Way, an approximate distance of 6,800 feet.
Yosemite Court	Both	Entire Length

The public works director is hereby directed to erect appropriate signage and/or markings to indicate the existence of these no parking zones. In erecting signage on roads with unimproved shoulders, the signs shall be placed at the edge of the right-of-way. Until and unless appropriate signage and/or markings are erected, no enforcement of these no parking zones shall occur. Payment for such signage shall come from account 208-5010. (Ord. 93-104; Ord. 99-166; Ord. 08-282 § 1; Ord. 09-288 § 1; Ord. 09-296 § 1; Ord. 10-301 § 1; Ord. 10-302 § 1; Ord. 11-304 § 1; Ord. 11-306 § 1; Ord. 11-309 § 1; Ord. 12-317 § 1; Ord. 13-325 § 1; Ord. 14-336 § 1; Ord. 17-382 § 1; Ord. 18-389 § 1; Ord. 20-417 § 1; Ord. 22-430 § 1; Ord. 24-454, 1/8/2024; Ord. 25-465, 4/14/2025; Ord. 25-468, 7/14/2025)

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ITEM 4.4

CITY MANAGER'S REPORT JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

ITEM: **REVIEW OF THE CAPITAL FACILITY FEE FUNDS
REPORT FOR FY 2024-2025 AND THE FIVE-
YEAR CFF FUND REPORT**

RECOMMENDATION: **Review of the Capital Facility Fee Funds Report
for Fiscal Year 2024-2025 and the Five-Year
CFF Fund Report**

SUMMARY:

Pursuant to the State of California Mitigation Fee Act (also known as "AB 1600" CA Government Code Section 66006 et seq.), the City of Lathrop is required to provide an annual overview of fees collected by the Capital Facility Fee (CFF) program as a result of new development. This report presents the background for each fee and shows last year's fee schedules and history. The information provided is required by the Government Code (GC) to be made available for public review and subsequently reviewed by City Council at the next regular meeting after being made public.

BACKGROUND:

The City's CFF program was first instituted on October 10, 1990 to provide adequate capital facility improvements to serve new development within the City. Since then, the CFF program has been amended to ensure that new development pays its proportionate share of improvement costs needed as a result of new development.

In 2003, the CFF program was amended to include a broad range of capital facility fees and establish fees for a new development planned for West of I-5, mainly River Islands and Mossdale Landing.

In 2005, the CFF program was amended to establish fees for new development in the Central Lathrop Specific Plan (CLSP) area and followed with revisions in 2007, adding the offsite roadway intersection improvements and the surface water supply fee components for the CLSP area.

In 2011, the CFF program was amended to establish the North Lathrop Transportation Impact Fee for new development impacting the Roth Road/I-5 interchange and the associated frontage roads in the North Lathrop area.

In May 2018, the CFF program was amended to keep pace with the rising cost of infrastructure, facilities and land. This amendment included adjusting existing fees for inflation and updating project costs for the West/Central Lathrop Regional Transportation CFF, Surface Water Supply CFF, and the Water System CFF and establishing a new Sewer/Recycled Water System CFF for the CLSP area.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**REVIEW OF THE CAPITAL FACILITY FEE FUNDS REPORT FOR FY 2024-2025**

In December 2018, the San Joaquin Area Flood Control Agency (SJAFC) Mossdale Tract Area Regional Urban Level of Flood Protection (ULOP) Development Impact Fee (DIF) agreement replaced Lathrop's 2017 Interim Levee Fee for the Reclamation District 17 Urban Level of Flood Protection Levee System Improvements.

In February 2019, the CLSP CFF Study update established a new In-Lieu Community Parks Dedication Fee, adjusted existing inflation fees and updated project costs and fees for the West/Central Lathrop Regional Transportation and the Sewer/Recycled Water System. The CLSP Neighborhood Park Capital Facility Fee was updated in February 2021 to reflect the actual park development costs realized by the developer of the CLSP.

In June 2019, the CLSP CFF Study established a new CFF for the Storm Drainage System Improvements – Watershed 2, Storm Drainage System Improvements – Watershed 4, Entitlements, and Prior Developer Account Open Items to reimburse the construction of storm drainage facilities and reimburse past expenditures associated with developing the CLSP area.

In October 2019, the South Lathrop Specific Plan (SLSP) and the Lathrop Gateway Business Park Specific Plan (LGBPSP) CFF Study provided an update to the CFF program for the SLSP area and established a fee program for the LGBPSP area. In May 2020, the CFF program was updated based on actual facility construction cost for SLSP and LGBPSP.

In February 2020, the Sewer Reimbursement CFF Study established a new Sewer Reimbursement fee for the construction of oversized sewer facilities, including future construction of sewer facilities within the City.

In July 2022, the West/Central Regional Transportation and Central Lathrop Specific Plan CFFs were updated to include new traffic signals, storm drainage facilities, and a water tank and booster pump facility located in the Central Lathrop Specific Plan.

On September 12, 2022, Lathrop City Council approved the Nexus Study Update for the Regional Urban Level of Flood Protection Levee Impact Fee. This update reflects an updated program cost estimate that addresses climate change and updates to program funding from other sources.

On October 14, 2024, the Lathrop City Council approved the 2024 Capital Facilities Fee Study Update, which recalculated selected impact fees to reflect updated land use assumptions (including the CLSP Phase 2 rezoning), updated facility needs and cost assumptions, and AB 602-related methodology changes.

The CFF program provides a source of revenue by which new development within the City will contribute their fair share of the costs that directly affect the need to construct infrastructure or expand community public facilities to meet growth needs.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
REVIEW OF THE CAPITAL FACILITY FEE FUNDS REPORT FOR FY 2024-2025

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The City's CFF program funds improvements in the following categories:

1. Transportation
 - a. Local
 - b. Regional
2. Culture and Leisure
3. Municipal Services
4. Storm Drainage
5. Administration
6. San Joaquin County Multi-Species Habitat
7. Environmental Mitigation
8. Park-In-Lieu
9. Water
10. Surface Water
11. Sewer

The Annual CFF report, included as Attachment "A", required by California GC 66006 et seq., was developed to identify the balances of fees in the Capital Facility Fee funds. The annual report provides the following information for each fee:

- a detailed description
- the fee amount
- beginning and ending balances for the fiscal year
- fees collected and interest earned
- transfers, refunds, and expenditures

The expenditures have been further broken down to identify the public improvements on which the fees were expended and the amount of expenditures for each improvement.

The Five-Year CFF Fund Report provides an overview of the improvement projects identified in the CFF program. The report lists the estimated cost for each project and the approximate date available. The fees and project costs are adjusted annually based on the annual changes to the Engineering News-Record Construction Cost Index (ENR CCI). The annual adjustment utilizing the ENR CCI ensures the current cost of construction and appropriate fees reflect the effects of inflation.

REASON FOR RECOMMENDATION:

The attached report was made public on December 20, 2024, pursuant to Section 66006 et seq. of the California Government Code, which requires a detailed report regarding the collection and expenditure of fees in the CFF program. Pursuant to the California GC, the report is required to be made public and the City Council is required to review the information made available to the public at its next regular scheduled meeting.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
REVIEW OF THE CAPITAL FACILITY FEE FUNDS REPORT FOR FY 2024-2025

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FISCAL IMPACT:

The cost for this item was staff time and materials to complete the attached report.


ATTACHMENTS:

- A. Capital Facility Fee Funds Report for report period Fiscal Year 2023-2024
- B. Five Year Capital Facility Funds Report for report period: July 1, 2024 to June 30, 2025.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
REVIEW OF THE CAPITAL FACILITY FEE FUNDS REPORT FOR FY 2024-2025

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APPROVALS:



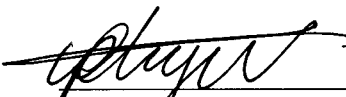
Bellal Nabizadah
Assistant Engineer

1/5/26
Date




Brad Taylor
City Engineer

1/5/2026
Date




Rick Caguiat
Community Development Director

1/5/26
Date



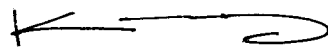
Cari James
Finance Director

1/6/2026
Date




Thomas Hedegard
Deputy City Manager

1/6/2026
Date




Michael King
Assistant City Manager

1.7.2026
Date



Salvador Navarrete
City Attorney

1.6.2026
Date



Stephen J. Salvatore
City Manager

1.7.26
Date

City of Lathrop

Capital Facility Fee Funds Report 2024 – 2025

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Regional Transportation Impact Fee – 2230

1. Fee Information

a. Description and History of Fee: This fee was collected to fund street improvements for Lathrop's regional roadways. The fee originated in 1990 and was adopted by Lathrop City Council on October 10, 1990. The Regional Transportation Fee was calculated in coordination with the San Joaquin County Council of Governments to provide countywide transportation improvements for street and highway projects identified in the Congestion Management Program (CMP). Improvements to both Lathrop and Interstate 5 are included in the CMP.

The fee was reevaluated in the November 1, 1994 CFF Update and was updated to reflect the effects of inflation. In addition, the McKinley Avenue and Yosemite Avenue Intersection Improvements were added to the CFF. Updates to the Regional fee were also done in September of 2003 and again in August of 2005. The 2003 and 2005 studies included adjusting the previous Capital Facility Fee in Historic Lathrop (East) to reflect the effects of inflation.

The San Joaquin Regional Transportation Impact Fee (RTIF) is automatically adjusted on an annual basis at the beginning of each fiscal year (July 1) based on the Engineering News Record California Construction Code Index (CCCI).

b. Amount of Fee: The Regional Transportation Fee was changed to the San Joaquin Regional Transportation Impact Fee (RTIF) as of February 20, 2006. Funds collected as a result of the newly adopted fee are reported in Funds 2340 and 2360. **As of February 20, 2006, the Regional Transportation Fee is no longer collected.**

Land Use Type	Unit	FY 24/25
Residential (Single-Family)	DUE	\$-0-
Residential (Multi-Family)	DUE	\$-0-
Retail	Sq. Ft	\$-0-
Office	Sq. Ft	\$-0-
Commercial/Industrial	Sq. Ft	\$-0-



2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	-
b.	Fees Collected	-
c.	Interest Earned	-
d.	Expenditures	-
e.	Transfer Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	-

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2230 expended during the reporting period? No

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2230 transferred or loaned during the reporting period? No

c. Description of refunds made during reporting period.

Were funds from Fund 2230 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Transportation Impact Fee Fund 2230 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



Local Transportation Impact Fee – 2250

1. Fee Information

a. Description and History of Fee: This fee is collected to fund street improvements for existing city streets to accommodate for increased road usage due to new development. The Crossroads fee is an exception in that it is collected to reimburse the developer for infrastructure that was built with the original project. The fee originated in 1990 and was adopted by the Lathrop City Council on October 10, 1990. The original fee was designed to fund the widening of local roads from two lanes to four lanes as well as the addition of traffic signals and turning lanes to increase the capacity of intersections. In 1990 the Engineering Report for the Lathrop Traffic Mitigation Fee identified an estimated \$6.4 million in signal system, intersection and road widening improvements.

An update to the fee was adopted by the Lathrop City Council and adopted on November 1, 1994. The update included the same projects that were included in the original Capital Facility Fees (CFF), with the exception of Louise Avenue and the addition of the McKinley Avenue Mainline Improvements. The widening and improvements of Louise Avenue between Harlan Road and Fifth Street were completed prior to the 1994 update (with CFF funds as a contributing source) which is why Louise Avenue was omitted from the 1994 update.

The Local Transportation CFF was reevaluated in September 2, 2003 and again in August 1, 2005. The studies included adjusting the previous CFF in Historic Lathrop (East) to reflect the effects of inflation.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study “Nexus Study” adopted on March 12, 2018 identified approximately \$65.8 million in interchange improvements, road-widening improvements, and railroad crossing improvements. In October 2019 the SLSP and the Lathrop Gateway Business Park Specific Plan (LGBPSP) CFF study provided an update to the CFF program for the SLSP area and established a fee program for the LGBPSP area. The LGBPSP CFF Study identified approximately \$56.7 million in transportation improvements. In May 2020 the CFF program was updated based on actual facility construction cost for SLSP and LGBPSP.

b. Amount of Fee: The amount of the fee varies by land use type and location.

<u>East Lathrop/North Harlan</u> <u>Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to</u> <u>Dec. 31, 2024</u>	<u>Jan. 1, 2025 to</u> <u>June 30, 2025</u>
Single Family Residential	DU	\$4,423	\$4,461
Multi-Family Residential	DU	\$3,252	\$3,280
Commercial	1,000 sqft	\$6,040	\$6,093
Industrial/Warehouse	1,000 sqft	\$1,779	\$1,795

<u>Crossroads</u> <u>Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to</u> <u>Dec. 31, 2024</u>	<u>Jan. 1, 2025 to</u> <u>June 30, 2025</u>
Commercial	Acre	\$36,564	\$36,882
Industrial	1,000 sqft	\$1,327	\$1,339



<u>South Lathrop Specific Plan-SLCC Plan Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Industrial/ Limited Industrial	1,000 sqft	\$ 1,591	\$ 1,605
Office Commercial	1,000 sqft	\$ 24,389	\$ 24,601
Retail Commercial	1,000 sqft	\$ -	\$ -
Warehouse	1,000 sqft	\$ 1,591	\$ 1,605

<u>South Lathrop Specific Plan-Non SLCC Plan Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Industrial/ Limited Industrial	1,000 sqft	\$ 1,591	\$ 1,605
Office Commercial	1,000 sqft	\$ 24,389	\$ 24,601
Retail Commercial	1,000 sqft	\$ -	-
Warehouse	1,000 sqft	\$ 1,591	\$ 1,605

<u>Gateway Business Park Specific Plan Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Industrial/ Limited Industrial	1,000 sqft	\$ 1,586	\$ 1,600
Office Commercial	1,000 sqft	\$ 20,459	\$ 20,638
Retail Commercial	1,000 sqft	\$ 7,183	\$ 7,245
Warehouse	1,000 sqft	\$ 1,586	\$ 1,600

2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2024	\$ 162,450
b.	Fees Collected	\$ 151,888
c.	Interest Earned	\$ 13,572
d.	Expenditures	-
e.	Transfers Out	(\$ 28,519)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 299,391



a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2250 expended during the reporting period? No

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2250 transferred or loaned during the reporting period? Yes

A total of \$1,000,000 was transferred from Fund 2250 to the following projects:

- \$300,000 to the Lathrop Road and I-5 Improvements Project PS 06-16
- \$700,000 to the Louise Avenue and McKinley Avenue Signal Improvements Project PS 15-02

c. Description of refunds made during reporting period.

Were funds from Fund 2250 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Local Transportation Impact Fee Fund 2250 currently has funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Project	Amount	% of Improvements
Louise Ave & McKinley Avenue Signal Improvements, PS 15-02	\$ 1,141,327	59
Total	\$ 1,141,327	



Culture and Leisure Capital Facility Fee – 2260

1. Fee Information

a. **Description and History of Fee:** The Culture and Leisure Capital Facility Fee is collected to fund costs for the completion of Neighborhood, Community and Linear Parks, a Library, Cultural Center, Senior Center and Community Center.

The Culture and Leisure Capital Facility Fee was first implemented with the adoption of the October 10, 1990 CFF Study Report. The original fee collected funds merely for Parks and a Library. The Capital Facility Fee program was reevaluated in 1994 and in addition to a park and library component, a component for a cultural center was added. Adopting this change increased the fee for both Single Family (from \$1,627 to \$1,789) and Multi-Family (from \$1,084 to \$1,295) residential dwelling units.

In September of 2003, the City Council again adopted a revision to the Culture and Leisure CFF. This amendment to the CFF was implemented to capture the new direction in which the City was headed. The City has since approved planned communities, that combined exceed 17,000 new homes, for Mossdale Landing, Central Lathrop Specific Plan Area and River Islands. These communities have pushed Lathrop's population well over the 12,980 projection for year 2010 (as of January 2011, the City of Lathrop's population was estimated at over 18,656) hence the need for an increase in facilities. The 2003 update increased the fee significantly for both Single Family and Multi-Family residential dwelling units and added a Senior Center to the list of facilities.

The 2005 update to the Culture and Leisure CFF split the fee into two separate components; Parks and Facilities. This was done to ensure enough monies were collected for both areas of culture and leisure as well as to ensure the importance of both sub-components. This update also included an increase to capture the effects of inflation.

The Culture and Leisure CFF was reevaluated May 3, 2018 adjusting the previous CFF to reflect the effects of inflation. The studies also included adjusting the total library space to 31,100 square feet at build out as well as a reduction in the library square footage standard to 475 square feet per 1,000 residents. Additionally, the 5.76 acre of land associated with the Generation Center was added to the CFF program with no net increase to the CFF rates for the Culture and Leisure Facility sub-component.

The Central Lathrop Specific Plan (CLSP) Neighborhood Park Capital Facility Fee was updated on February 8, 2021, to be consistent with the actual park development costs realized by the primary developer of the CLSP. The cost to construct the CLSP neighborhood park improvement was estimated to be \$298,501 per acre in the development agreement. Subsequently, it was inflated to \$322,625 per acre in 2020, based on the ENR 20-City Construction Cost Index (the "CCI"). Based on the actual development costs for the Phase 1A Neighborhood Park constructed by Saybrook in 2020, the total cost increased to \$390,251 per acre.

In October 2024, the Culture and Leisure Capital Facility Fee was updated to reflect current facility plans and costs and to align the calculation with the City's 2022 General Plan buildout population assumptions. The update consolidated library, senior center, gym or youth center, and an expansion to the community center, into a single planned 66,000-square-foot community center (estimated at \$90 million) intended to provide the same functions, and it deducted the performing arts center cost to avoid double-counting

Capital Facility Fee Funds Report
Culture and Leisure Capital Facility Fee – 2260



because that function is also included in the Municipal Service Facilities CFF. The Culture and Leisure park components were not substantively recalculated. They were inflation-adjusted and converted to a per-square-foot charge for consistency.

b. Amount of Fee: The amount of the fee varies by land use type and location.

	Accounting Period			
	July 1, 2024 to Dec. 31, 2024		January 1, 2025 to June 30, 2025	
<u>Land Use Type (Unit)</u>	Historical Lathrop North Harlan Mossdale Village	Central Lathrop	Historical Lathrop North Harlan Mossdale Village	Central Lathrop
Single Family	(DU)	(DU)	(1,000 sqft)	(1,000 sqft)
Neighborhood Parks	\$6,868	\$ 4,781	\$ 2,695	\$ 1,536
Community/Linear Parks	-	\$ 4,760	-	\$ 1,868
Facilities	\$ 4,208	\$ 4,208	\$ 1,063	\$ 1,063
Multi-Family	(DU)	(DU)	(1,000 sqft)	(1,000 sqft)
Neighborhood Parks	\$ 4,906	\$ 3,415	\$ 5,076	\$ 2,624
Community/Linear Parks	-	\$ 3,401	-	\$ 3,518
Facilities	\$ 3,004	\$ 3,004	\$ 2,190	\$ 2,190

	Accounting Period			
	July 1, 2024 to Dec. 31, 2024		January 1, 2025 to June 30, 2025	
<u>Land Use Type (Unit)</u>	Mossdale Landing	Stewart Tract	Mossdale Landing	Stewart Tract
Single Family	(DU)	(DU)	(DU)	(1,000 sqft)
Parks	\$ 6,867	-	\$ 6,926	-
Facilities	\$ 2,757	\$ 4,208	\$ 2,781	\$ 1,063
Multi-Family	(DU)	(DU)	(DU)	(1,000 sqft)
Parks	\$ 4,904	-	\$ 4,946	-
Facilities	\$ 1,968	\$3,004	\$ 1,986	\$ 2,190

2. Fund Information (During Reporting Period)

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2024	\$ 20,527,494
b.	Fees Collected	\$ 4,490,249.56
c.	Interest Earned	\$ 1,186,565.25

Capital Facility Fee Funds Report
Culture and Leisure Capital Facility Fee – 2260



d.	Expenditures	(\$ 34,253.34)
e.	Transfers Out	(\$ 43,912.20)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 26,126,144

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2260 expended during the reporting period? Yes

b. Transfers and Loans: Description of Transfers and Loans made from fund.

Were funds from Fund 2260 transferred or loaned during the reporting period? Yes

A total of \$4,951,198 was transferred from Fund 2260 to the following projects;

- \$3,750,000 to Lathrop Community Center Project PK 22-05
- \$300,000 to the Cricket Pitch on Banta School Property Project PK 22-40
- \$119,830 to reimburse developer
- \$781,368 to reimburse CLSP for parks

c. Refunds: Description of refunds made during reporting period.

Were funds from Fund 2260 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Culture and Leisure Capital Facility Fee Fund 2260 currently has funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Project	Amount	% of Improvements
New Lathrop Community Center, PK 22-05	\$ 6,599,999	100
Shilling Avenue Park Improvements, PK 22-34	\$ 370,000	27
Total	\$ 6,969,999	



Municipal Services Capital Facility Fee – 2270

1. Fee Information

a. Description and History of Fee: The Municipal Services Capital Facility Fee is collected to fund costs related to a new City Hall, Police Station, Corporation Yard and Animal Shelter needed to support the growth of the City.

The Municipal (City) Services Capital Facility Fee (CFF) was first implemented with the adoption of the October 10, 1990 CFF Study Report. The original fee collected monies to fund a new city hall, police station and a corporation yard for field staff (operations and maintenance). The Capital Facility Fee program was reevaluated in 1994 and in addition to the facilities previously adopted with the original study; a component for an Animal Control Facility was added. Adopting this change increased the fee for residential land use types as well as for commercial and industrial.

In September of 2003, the City Council again adopted a revision to the Municipal Services CFF. This amendment to the CFF was implemented to ensure that the City was collecting enough monies to fund the facilities needed to accommodate new development as the existing facilities (excluding city hall) do not meet the City's service level standards.

- The City was contracted with the City of Manteca for its animal control shelter facilities since Lathrop did not have one of its own.
- The City's Police Services Department, previously contracted with the San Joaquin County Sheriff's Department, is too small to expand for the City's anticipated growth. At build out there will not be enough room to expand for the projected 1.5 sworn peace officers per 1,000 residents.
- The Corporation Yard facility that houses most of the City's field staff (maintenance and operations) as well as much of the City's equipment and vehicles is too small to accommodate for growth.
- A 2005 update to the Municipal Services CFF increased the fee to reflect the effects of inflation. Additionally, a Performing Arts Center was added to accommodate the City's growing population and a Wireless Network was added to ensure that the City is keeping up with technology to offer residents and employees the highest level of service.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study "Nexus Study" adopted on March 12, 2018 identified SLSP will also be subject fund future development fair share of the cost of municipal buildings and facilities.

In October 2024, the Municipal Service Facilities Capital Facility Fee was updated to reflect revised facility needs and updated assumptions, including updated police facility costs based on the actual cost of the first police station constructed in 2021, updates to City Hall needs (removing space previously allocated for the fire department), separating the fleet maintenance facility cost from the corporation yard estimate, and updating the persons-per-household and square-feet-per-employee assumptions used to



allocate costs. The fee calculation was also updated using the City's updated buildout population and employee estimates from the 2022 General Plan.

b. About the Fee: The amount of the fee varies by land use type and location. The fees are as follows:

Accounting Period		
	July 1, 2024 to December 31, 2024	January 1, 2025 to June 30, 2025
<u>Land Use Type (Unit)</u>	East Lathrop/ North Harlan/ Mossdale Village/ Crossroads/ Central Lathrop/ Stewart Tract (DU)	East Lathrop/ North Harlan/ Mossdale Village/ Crossroads/ Central Lathrop/ Stewart Tract (1,000 sqft)
Single Family Residential	\$ 4,714	\$ 1,959
Multi-Family Residential	\$ 3,367	\$ 4,035
Service Retail (Per 1,000 sf.)	\$ 3,072	\$ 2,941
Other Non-Residential (Per 1,000 sf.)	\$ 1,859	\$ 1,765

Accounting Period		
	July 1, 2024 to December 31, 2024	January 1, 2025 to June 30, 2025
<u>Land Use Type</u>	Mossdale Landing	Mossdale Landing
Single Family Residential	\$ 4,631	\$ 4,671
Multi-Family Residential	\$ 3,309	\$ 3,337
Service Retail (Per 1,000 sf.)	\$ 3,006	\$ 3,032
Other Non-Residential (Per 1,000 sf.)	\$ 1,819	\$ 1,835

Accounting Period		
	July 1, 2024 to December 31, 2024	January 1, 2025 to June 30, 2025
<u>Land Use Type</u>	South Lathrop Specific Plan – SLCC/Non SLCC, Gateway Business Park	South Lathrop Specific Plan – SLCC/Non SLCC, Gateway Business Park
Service Retail (Per 1,000 sf.)	\$ 3,072	\$ 2,941

Capital Facility Fee Funds Report
Municipal Services Capital Facility Fee – 2270



Other Non-Residential (Per 1,000 sf.)	\$ 1,859	\$ 1,765
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2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 6,011,505
b.	Fees Collected	\$ 4,250,620
c.	Interest Earned	\$ 762,395
d.	Expenditures	-
e.	Transfers Out	(\$ 1,949,598)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 9,074,923

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2270 expended during the reporting period? No

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2270 transferred or loaned during the reporting period? Yes

A total of \$5,017,900 was transferred from Fund 2270 to the following projects;

- \$377,900 was transferred to the City Hall Facility service debt.
- \$4,640,000 was transferred to the Corp Yard Project, GG 21-13.

c. Description of refunds made during reporting period.

Were funds from Fund 2270 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Municipal Services Fee Fund 2270 currently has funds appropriated to the Capital Improvement Program (CIP) Project listed below for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Project	Amount	% of Improvements
Corp Yard Improvements, GG 21-13	\$10,120,000	100
Total	\$10,120,000	



Storm Drainage Capital Facility Fee – 2280

1. Fee Information

a. Description and History of Fee: This Storm Drainage Capital Facility Fee (CFF) is collected to fund storm drainage improvements to support new development. The Crossroads fee is an exception in that it is collected to reimburse the developer for infrastructure that was built with the original project.

On February 20, 1987, San Joaquin County Ordinance Number 3297 established a fee of \$1,000 per gross acre of land to reimburse the costs of establishing the storm drain system known as “City Service Zone 1”. This fee was to be updated every year by the Engineering News Record (ENR) Construction Cost Index for inflation.

On July 7, 1992, the City adopted a Storm Drain Master Plan which identified the facilities in place, existing deficiencies, and needed improvements for terminal storm drainage in areas of the existing City and surrounding area. Storm drainage CFFs were established in 1994. The City’s only terminal storm drain system consisted of the former County Service area 4, Zones A & B (designed by the County), which included most of the populated areas of the City at that time. This system has been expanded on several occasions as a result of new growth and has been re-designated as “Storm Drain City Zone 1”.

The Storm Drainage Capital Facility Fee was reevaluated in September 2, 2003 and again in August 1, 2005. The studies included adjusting the previous Capital Facility Fee in Historic Lathrop (East) to reflect the effects of inflation. Additionally, new CFF fees were established for the Mossdale development area to be used as funding for the improvement the development community would be constructing.

New development that occurs in the areas surrounding City Zone 1 must pay a fee to the Area of Benefit District No. 6, which was established by San Joaquin County (Ord. 3297) to reimburse the capital costs of constructing the trunk and outfall lines of the current system.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study “Nexus Study” adopted on March 12, 2018 identified approximately \$1.7 million to construct an outfall facility that would be allocated equally to the three developments that will benefit from this facility.

In June 2019, the Central Lathrop Specific Plan (CLSP) CFF Study established a fee program for the CLSP area. The CLSP CFF Study identified approximately \$13.9 million storm drainage improvements.

In October 2019 the SLSP and the Lathrop Gateway Business Park Specific Plan (LGBPSP) CFF study provided an update to the CFF program for the SLSP area and established a fee program for the LGBPSP area. The LGBPSP CFF Study identified approximately \$12.8 million storm drainage facilities improvements. In May 2020, the CFF program was updated based on actual facility construction cost for SLSP and LGBPSP.

In July 2022, the CLSP storm drainage fees were updated to reflect the actual costs of the storm drainage facilities serving the area. The effective date of the updated fees were October 10, 2022.

Capital Facilities Fee Funds Report
Storm Drainage Capital Facility Fee – 2280



In October 2024, the CLSP Storm Drainage Improvements WS4 CFF was updated because additional parcels were identified as benefiting from the WS4 storm drainage improvements, expanding the WS4 fee service area to 217.03 net acres. The reimbursable cost basis was updated to a total of \$8,759,585 (2024\$), incorporated original 2017 WS4 facilities, additional 2021 facilities, inflation to 2024 dollars, and an added share of pump station costs. The fee methodology was also revised to comply with AB 602 by allocating costs based on weighted acreage using runoff coefficients and converting residential charges to a per-square-foot basis.

b. Amount of Fee: The amount of the fee varies by land use type and location.

Land Use Type	Unit	July 1, 2024 to December 31, 2024			January 1, 2025 to June 30, 2025		
		East Lathrop	North Harlan	Mossdale	East Lathrop	North Harlan	Mossdale
Low Density Residential	DU	\$ 1,111	\$ 1,111	\$ 424	\$ 1,120	\$ 1,120	\$ 428
Medium Density Residential	DU	-	-	\$ 291	-	-	\$ 294
High Density Residential	DU	-	-	\$ 228	-	-	\$ 230
Village Commercial	Acre	-	-	\$ 5,259	-	-	\$ 5,305
Service Commercial	Acre	\$ 7,637	\$ 7,637	\$ 5,259	\$ 7,703	\$ 7,703	\$ 5,305
Freeway Commercial	Acre	\$ 13,704	\$ 13,704	\$ 5,259	\$ 13,823	\$ 13,823	\$ 5,305
Neighborhood Commercial	Acre	\$ 3,392	\$ 3,392	\$ 5,529	\$ 3,422	\$ 3,422	\$ 5,305
Limited Industrial Zone 5	Acre	\$ 10,660	\$ 10,660	-	\$ 10,752	\$ 10,752	-
Limited Industrial Other Zones	Acre	\$ 5,942	\$ 5,942	-	\$ 5,993	\$ 5,993	-
General Industrial	Acre	\$ 7,214	\$ 7,214	-	\$ 7,277	\$ 7,277	-
Transit Station (Lathrop Road)	Acre	\$ 6,788	\$ 6,788	-	\$ 6,847	\$ 6,847	-
Fire Station (Yosemite)	Acre	\$ 7,637	\$ 7,637	-	\$ 7,703	\$ 7,703	-
Area of Benefit 6	Acre	\$ 2,961	-	-	\$ 2,987	-	-

<u>Crossroads Land Use Type</u>	<u>Unit</u>	July 1, 2024 to Dec. 31, 2024	Jan. 1, 2025 to June 30, 2025
Onsite	Acre	\$ 15,825	\$ 15,963
Offsite	Acre	\$ 9,024	\$ 9,103

		July 1, 2024 to December 31, 2024		January 1, 2025 to June 30, 2025	
Land Use Type	Unit	CLSP (Storm Drainage WS2) (DU)	CLSP (Storm Drainage WS4)	CLSP (Storm Drainage WS2) (DU)	CLSP (Storm Drainage WS4) (1,000 sqft)
All Development	Acre	\$ 65,592	\$ 49,073	\$ 66,163	-
Warehouse	Acre	-	-	-	\$43,971
Commercial	Acre	-	-	-	38,475
Single Family	DU/1,000 sqft	\$ 10,454	-	\$ 10,545	\$1,842
Multi-Family	DU/1,000 sqft	\$ 3,639	-	\$ 3,671	\$2,114

Capital Facilities Fee Funds Report
Storm Drainage Capital Facility Fee – 2280



		July 1, 2024 to December 31, 2024		January 1, 2025 to June 30, 2025	
Land Use Type	Unit	SLSP - Non SLCC (Storm Drainage)	SLSP - Non SLCC (Regional Storm Drainage)	SLSP - Non SLCC (Storm Drainage)	SLSP – Non SLCC (Regional Storm Drainage)
OFC Commercial	1,000 sf.	\$ 75,992	\$ 5,820	\$ 76,654	\$ 5,870
Limited WHS	1,000 sf.	\$ 75,992	\$ 5,820	\$ 76,654	\$ 5,870
Warehouse	1,000 sf.	\$ 75,992	\$ 5,820	\$ 76,654	\$ 5,870

		July 1, 2024 to December 31, 2024		January 1, 2025 to June 30, 2025	
Land Use Type	Unit	Lathrop Gateway (Storm Drainage)	Lathrop Gateway (Regional Storm Drainage)	Lathrop Gateway (Storm Drainage)	Lathrop Gateway (Regional Storm Drainage)
Shopping Center	1,000 sf.	\$ 4,565	\$ 432	\$ 4,605	\$ 436
Office Park	1,000 sf.	\$ 4,005	\$ 379	\$ 4,040	\$ 382
Industrial Park	1,000 sf.	\$ 2,477	\$ 234	\$ 2,498	\$ 236
Warehouse	1,000 sf.	\$ 2,477	\$ 234	\$ 2,498	\$ 236

2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ (89,052)
b.	Fees Collected	\$ 2,514,481
c.	Interest Earned	\$ 65,555
d.	Expenditures	(\$ 2,508,806)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	(\$ 17,821)

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2280 expended during the reporting period? Yes

A total of \$2,083,278 was expensed from Fund 2280 to the following projects;

- \$243,763 for the City's share of the South Lathrop's Regional Outfall Structure.
- \$61,146 for Central Lathrop Specific Plan
- \$1,778,457 to reimburse developers for constructing public improvements.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2280 transferred or loaned during the reporting period? No



c. Description of refunds made during reporting period.

Were funds from Fund 2280 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Storm Drainage Capital Facility Fee Fund 2280 currently does not have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



Administration Capital Facility Fee – 2290

1. Fee Information

- a. **Description and History of Fee:** The purpose of the capital facility fee program is to provide a source of revenue by which new development within the City will contribute a fair and proportionate share of the cost of providing infrastructure and community facilities commensurate with the benefits received. Under Government Code Section 66000 et seq., the City is required to separately account for revenues and expenditures within the capital facilities fee funds and is allowed to apply an appropriate fee for administration of Transportation, Municipal Services, Culture and Leisure, and Regional Levee Fees as identified in the report titled “City of Lathrop Capital Facilities Fees, As Amended September 2, 2003” and the “Mossdale Tract Area Regional Urban Level of Flood Protection Levee Impact Fee, Nexus Study, Adopted by SJAFCA, Resolution No. 18-21, November 8, 2018”.

In June 2019, the Central Lathrop Specific Plan (CLSP) CFF Study established fees to reimburse past expenditures associated with developing the CLSP area. In October 2019, the Lathrop Gateway Business Park Specific Plan (LGBPSP) CFF study established a fee program. In May 2020, the CFF program was updated based on actual facility construction costs for the SLSP and LGBPSP development areas.

- b. **Amount of Fee:** This fee is calculated as a percentage of the capital facilities fees charged prior to issuance of the building permit. Currently the fee is 3% of all capital facility fees applicable to the project.

2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 4,636,690
b.	Fees Collected	\$ 885,296
c.	Interest Earned	\$ 254,836
d.	Expenditures	-
e.	Transfers Out	(\$ 100,000)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 5,676,821

- a. **Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:**

Were funds from Fund 2290 expended during the reporting period? No



b. Description of Transfers and Loans made from fund.

Were funds from Fund 2290 transferred or loaned during the reporting period? Yes

A total of \$100,000 was transferred from Fund 2290 to cover the Capital Facility Fee Program administration costs.

- \$100,000 was transferred to the Admin Services, General Fund.

c. Description of refunds made during reporting period.

Were funds from Fund 2290 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Administration Capital Facility Fee Fund 2290 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



Environmental Mitigation Capital Facility Fee – 2310

1. Fee Information

a. Description and History of Fee: One of the environmental mitigation measures required in relation to development on the west side of Interstate 5 is the protection of habitat for the Riparian Brush Rabbit. To meet this requirement, land in the “oxbow” along the San Joaquin River was acquired, fenced, and maintained as protected habitat. This fee will be used to acquire the land and construct a fence needed to protect the rabbit as identified in the report titled “City of Lathrop Capital Facilities Fees, As Amended September 2, 2003.” Ongoing maintenance costs are to be funded through an endowment or other means, and are not included herein.

b. Amount of Fee: The amount of the fee varies by land use type and location and is only applicable to the Mossdale Village/Landing area.

	July 1, 2024 to December 31, 2024	January 1, 2025 to June 30, 2025
Low Density Residential	\$ 248	\$ 250
Medium Density Residential	\$ 140	\$ 141
High Density Residential	\$ 51	\$ 51
Village Commercial	\$ 1,185	\$ 1,196
Service Commercial	\$ 1,185	\$ 1,196
Freeway Commercial	\$ 1,185	\$ 1,196
Waterfront Resort Commercial	\$ 1,185	\$ 1,196

2. Fund Information During Reporting Period

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2024	-
b.	Fees Collected	\$ 23,762
c.	Interest Earned	\$ 315
d.	Expenditures	(\$ 24,077)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	-



a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2310 expended during the reporting period? No

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2310 transferred or loaned during the reporting period? No

c. Description of refunds made during reporting period.

Were funds from Fund 2310 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-2025: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Environmental Mitigation Fund 2310 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



Regional Levee Impact Fee – 2315

1. Fee Information

a. Description and History of Fee: In 2007, the legislature passed California State Bill 5 (SB5), which requires the state to develop and adopt a comprehensive Central Valley Flood Protection Plan (CVFPP). The CVFPP was approved by the Central Valley Flood Protection Board in June 2012. In January 2017, Lathrop City Council approved the Interim Urban Levee of Flood Protection Levee Impact Fee (Nexus Study), Ordinance No. 17-374, adding the fee to the Capital Facility Fee Program to fund the design and construction of levee system improvements to provide 200-year flood protection to the Reclamation District 17 area.

On December 10, 2018, Lathrop City Council approved the Regional Levee Impact Fee Collection Agreement with San Joaquin Area Flood Control Agency (SJAFA) and Cities of Lathrop, Manteca, Stockton and San Joaquin County for the collection of the San Joaquin Area Flood Control Agency Mossdale Tract Area Regional Urban Levee Flood Protection Development Impact Fee. Replacing the Interim Urban Levee of Flood Protection Levee Impact Fee as a result. The Regional Levee Impact Fee is collected by the Land Use Agencies in accordance with the agreement for collection of the San Joaquin Area Flood Control Agency Mossdale Tract Area Regional Urban Level of Flood Protection Development Impact Fee.

On September 12, 2022, Lathrop City Council approved the Nexus Study Update for the Regional Urban Level of Flood Protection Levee Impact Fee. This update reflects an updated program cost estimate that addresses climate change and updates to program funding from other sources. The effective date of the updated fee was November 11, 2022.

b. Amount of Fee: The amount of the fee varies by planned new development land use type.

Land Use Type	Unit	July 1, 2024 to November 10, 2024		November 11, 2024 to June 30, 2025	
		Levee Impact	Admin Fee	Levee Impact	Admin Fee
Single Family – Residential	Acre	\$ 23,333	\$ 718	\$ 23,333	\$ 718
Multi-Family - Residential	Acre	\$ 21,835	\$ 672	\$ 21,835	\$ 672
Commercial	Acre	\$ 22,077	\$ 679	\$ 22,077	\$ 679
Industrial	Acre	\$ 17,293	\$ 532	\$ 17,293	\$ 532



2. Fund Information During Reporting Period

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	-
b.	Fees Collected	\$ 1,749,314
c.	Interest Earned	\$ 9,996.43
d.	Expenditures	(\$ 1,759,311)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	-

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2315 expended during the reporting period? Yes

A total of \$1,715,074 was expensed from Fund 2315 to SJAFCA pursuant to the approved Regional Levee Impact Fee Collection Agreement for the Mossdale Tract Area Regional Urban Levee Flood Protection Development Impact Fee.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2315 transferred or loaned during the reporting period? No

c. Description of refunds made during reporting period.

Were funds from Fund 2315 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-2025: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Levee Impact Fee Fund 2315 will not have funds appropriated to any Capital Improvement Program (CIP) Projects. Its purpose is to collect and transmit the development impact fee to SJAFCA to fund construction of the development impact fee projects identified in the Mossdale Tract Area Regional Urban Level of Flood Protection Levee Impact Fee Study "Final Nexus Study" adopted November 8, 2018, SJAFCA, Resolution No. 18-21.



West Central Lathrop Transportation Capital Facility Fee – 2320

1. Fee Information

a. Description and History of Fee: The West/Central Lathrop Regional Transportation Fee is a supplemental fee collected, in conjunction with the original 1997 WLSP (West Lathrop Specific Plan) Regional Transportation Fee, in order to fund traffic improvements needed as a result of new development. Negotiations between developers and City staff concluded that a West/Central Lathrop Regional Traffic Impact Fee would be added to the Capital Facilities Fee (CFF) Program that would help to fund projects identified in the 1997 WLSP Regional Fee as well as to fund newly added improvements.

The W/C Lathrop Regional Transportation Fee was derived as a result of a traffic study performed by TJKM Transportation Consultants that evaluated trips to / from the regional areas of Lathrop to / from five major service areas within Lathrop: Central Lathrop Specific Plan Area, Mossdale Village, River Islands, Historic Lathrop and area outside of the city limits.

The West Central Lathrop Transportation CFF was reevaluated January 23, 2019. After further review City staff found the project cost were consistent with current cost estimates to construct the improvements with exception of the Louise Avenue Interchange and the Paradise Avenue Interchange improvements. As a result, the fee study includes adjusting the previous CFF to reflect the effects of inflation as well as an increase to the rates for Central Lathrop, Mossdale Village and River Islands.

In July 2022, the West Central Lathrop Transportation CFF was updated to include new traffic signals. The effective date of the updated fees were October 10, 2022

In October 2024, the West Central Lathrop Transportation CFF was updated because the City's transportation capital improvement plan and funding assumptions for the West Lathrop Specific Plan area changed and the existing fee was no longer sufficient or properly allocated to cover the remaining transportation improvements needed to maintain the City's targeted traffic service level in the WLSP area. Specifically, the update incorporated new transportation modeling and dwelling unit equivalent (DUE) factors from Fehr & Peers (May 17, 2024), added recently identified traffic signal and frontage landscaping improvements, updated certain project cost estimates, and reevaluated expected contributions from overlapping impact fee programs (San Joaquin RTIF and WLSP RTIF) after prior reductions, then revised the allocation methodology (including converting residential to per-square-foot for AB 602) so costs are distributed proportionately across all West Central Lathrop projects rather than calculated separately by sub-area.

Capital Facilities Fee Funds Report
West Central Lathrop Transportation Capital Facility Fee – 2320



b. Amount of Fee: The amount of the fee varies by land use type and location.

July 1, 2024 to December 31, 2024					
Land Use Type	Unit	Mossdale Village	Mossdale Landing	Central Lathrop	River Islands – Stewart Tract
Single Family	DU	\$ 4,325	\$ 3,261	\$ 4,539	\$ 4,972
Multi-Family	DU	\$ 2,667	\$ 2,005	\$ 2,787	\$ 3,052
Retail Commercial	1,000 sqft	\$ 6,851	\$ 5,170	\$ 5,784	\$ 8,263
Service/Office Commercial	1,000 sqft	\$ 6,204	\$ 4,685	\$ 4,225	\$ 4,562

January 1, 2025 to June 30, 2025					
Land Use Type	Unit	Mossdale Village	Mossdale Landing	Central Lathrop	River Islands – Stewart Tract
Single Family	1,000 sqft	\$ 3,581	\$ 3,290	\$ 3,581	\$ 3,581
Multi-Family	1,000 sqft	\$ 7,141	\$ 2,022	\$ 7,141	\$ 7,141
Retail Commercial	1,000 sqft	\$ 6,807	\$ 5,215	\$ 6,807	\$ 6,807
Service/Office Commercial	1,000 sqft	\$ 6,621	\$ 4,726	\$ 6,621	\$ 6,621
Warehouse	1,000 sqft	\$920		\$920	\$920

2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 16,651,804
b.	Fees Collected	\$ 7,239,545
c.	Interest Earned	\$ 976,662
d.	Expenditures	(\$ 733,000)
e.	Transfers Out	(\$ 608,406.00)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 23,526,605

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2320 expended during the reporting period? Yes

A total of \$148,837 was expended from Fund 2320 to the following projects;

- \$46,071 To reimburse developers for construction public improvements



- \$102,766 to reimburse developers for Central Pacific Street and Spartan Way

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2320 transferred or loaned during the reporting period? Yes

A total of \$3,503,406 was transferred from Fund 2320 to cover the cost of the following projects;

- \$3,000,000 was transferred to Louise Avenue and I-5 Improvements Project PS 06-06
- \$503,406 was transferred to Manthey Bridge Project PS 12-04

c. Description of refunds made during reporting period.

Were funds from Fund 2320 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The West Central Lathrop Transportation Capital Facility Fee Fund 2320 currently has funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Project	Amount	% of Improvements
Manthey Road Bridge Replacement, PS 12-04	\$ 1,682,268	4
Louise Avenue/I-5 Interchange Right-of-Way. PS 06-06	\$ 6,688,975	61
Total	\$ 8,372,243	



West Lathrop Specific Plan Regional Transportation Impact Fee – 2330

1. Fee Information

a. Description and History of Fee: The West Lathrop Specific Plan (WLSP) Regional Transportation Impact Fee is collected from planned communities in the Central Lathrop area, Mossdale Village area and the River Islands area to fund regional road improvements needed as a result of new development west of Interstate 5.

The original fee was first developed in 1997 by the Fee Development Committee which is comprised of representatives from the City of Lathrop, San Joaquin Council of Governments, Caltrans, The Crane Transportation Group and Califia (a River Islands affiliate). The Committee was to evaluate existing transportation facilities to determine if they were sufficient to accommodate for new growth and, if insufficient, to identify the need for additional street infrastructure.

Upon determining a transportation level of service (LOS), the development projections for the City and project level impacts, a list of transportation system improvements was compiled. This list of improvements was utilized to determine a fee to fund the necessary improvement projects.

The West Central Lathrop Transportation CFF was reevaluated May 3, 2018. After further review City staff found the project cost were consistent with current cost estimates to construct the improvements with exception of the Louise Avenue Interchange and the Paradise Avenue Interchange improvements. As a result, the fee study includes adjusting the previous CFF to reflect the effects of inflation as well as an increase to the rates for Central Lathrop, Mossdale Village and River Islands.

In October 2024, West Lathrop Specific Plan Regional Transportation Impact Fee was updated to adjust the WLSP RTIF structure by adding a new industrial/warehousing fee category (based on the relative dwelling-unit-equivalent relationship between retail commercial and industrial/warehousing land uses) and converting the residential fee from a per-dwelling-unit charge to a per-building-square-foot charge to be consistent with how the updated transportation fees are presented in the study.

b. Amount of Fee: The amount of the fee for the West Lathrop Specific Plan Regional Transportation Fee varies by land use type.

Land Use Type	Unit	July 1, 2024 to December 31, 2024 (DU)	January 1, 2025 to June 30, 2025 (1,000 sqft)	January 1, 2025 to June 30, 2025 (DU)
		Mossdale Village/Landing, Central Lathrop, River Islands/Stewart Tract	Mossdale Village, Central Lathrop, River Islands/Stewart Tract	Mossdale Landing
Single Family	DU/1,000 sqft	\$ 426	\$ 167	\$ 430
Multi Family	DU/1,000 sqft	\$ 499	\$ 516	\$ 503

Capital Facilities Fee Funds Report
West Lathrop Specific Plan Regional Transportation Impact Fee – 2330



Retail Commercial	1,000 sqft	\$ 2,384	\$ 2,405	\$ 2,404
Service Commercial	1,000 sqft	\$ 661	\$ 667	\$ 667
Warehouse	1,000 sqft		\$325	-

2. Fund Information During Reporting Period

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 615,268
b.	Fees Collected	\$ 1,137,029
c.	Interest Earned	\$ 80,101
d.	Expenditures	(\$ 12,178)
e.	Transfers Out	\$ 563,022
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 2,383,243

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2330 expended during the reporting period? Yes

A total of \$8,440 expended from Fund 2330 to the following projects;

- \$8,440 to reimburse development for constructed public improvements.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2330 transferred or loaned during the reporting period? Yes

A total of \$100,000 was transferred from Fund 2330 to the Manthey Bridge Project PS 12-04

c. Description of refunds made during reporting period.

Were funds from Fund 2330 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The West Lathrop Specific Plan Regional Transportation Impact Fee Fund 2330 currently has funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Capital Facilities Fee Funds Report
West Lathrop Specific Plan Regional Transportation Impact Fee – 2330



Project	Amount	% of Improvements
Manthey Road Bridge Replacement, PS 12-04	\$472,150	1
Total	\$472,150	



Lathrop Local East – 2340 and Lathrop Local West - 2360

1. Fee Information

a. Description and History of Fee: The Regional Transportation Impact Fee (RTIF) San Joaquin County was adopted by City Council on December 20, 2005. This fee was adopted to address traffic volumes exceeding the capacity of the regional network of highways and arterials existing in San Joaquin County. It was determined that existing funding sources, including federal, state, and local sources, will be inadequate to construct the Regional Transportation Network needed to avoid unacceptable levels of traffic congestion and related adverse impacts.

The City of Lathrop has an existing local and regional transportation capital facilities fee (CFF) system in place which began with the West Lathrop Regional Transportation Impact Fee adopted in 1997. In 2003, the City created the West/Central Lathrop Regional Transportation CFF which picked up where the WLSP RTIF ended, by providing for other transportation improvements needed to meet the increase in development in West and Central Lathrop Specific Plan areas. Several other transportation-related CFFs (as covered in this report) have been created to address improvements as areas have developed.

The San Joaquin RTIF effectively updates and is incorporated into the WLSP RTIF. RTIF – Lathrop Local East (Fund 234) was created to account for fees collected from new development in East Lathrop under the new schedule. RTIF – Lathrop Local West (Fund 236) also accounts for fees collected for new development in West Lathrop under the San Joaquin RTIF fee schedule. Both funds will be used in accordance with the RTIF Operating Agreement in their prospective areas.

b. Amount of Fee: The amount of the fee varies by land use type and location. The fees are as follows:

Land Use Type	Unit	July 1, 2024 to June 30, 2025
Single Family	DU	\$ 2,040
Multi Family	DU	\$ 3,200
Industrial	1,000 sf	\$ 1,500
Service/Office Commercial	1,000 sf	\$ 2,220
Retail Commercial	1,000 sf	\$ 1,760
Warehouse	1,000 sf	\$ 750



2. Fund 234 – RTIF – Lathrop Local East

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 2,845,132
b.	Fees Collected	\$ 37,315
c.	Interest Earned	\$ 133,117
d.	Expenditures	-
e.	Transfers Out	(\$ 1,287,784)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 1,727,780

Fund 236 – RTIF – Lathrop Local West

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 14,645,737
b.	Fees Collected	\$ 3,240,523.77
c.	Interest Earned	\$ 734,864
d.	Expenditures	(\$ 29,384.13)
e.	Transfers Out	(\$ 7,735,185)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 10,856,555

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2340 and 2360 expended during the reporting period? Yes

A total of \$2,106 was expensed from Fund 2340 and \$7,468 was expensed from Fund 2360 to pay San Joaquin Council of Governments for a portion of third party cost to implement the RTIF Program.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2340 and 2360 transferred or loaned during the reporting period? Yes

A total of \$503,406 was transferred from Fund 2360 to reimburse development for constructed public improvements.

c. Description of refunds made during reporting period.

Were funds from Fund 2340 and 2360 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Lathrop Local East Fee Fund 2340 does not currently have funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2024-25.

The Lathrop Local West Fee Fund 2360 currently has funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2023-24. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Project	Amount	% of Improvements
Manthey Road Bridge Replacement, PS 12-04	\$1,682,268	4
Total	\$1,682,268	



Regional Transportation Impact Fee San Joaquin County – 2350

1. Fee Information

a. **Description and History of Fee:** The Regional Transportation Impact Fee (RTIF) San Joaquin County was adopted by City Council on December 20, 2005. This fee was adopted to address traffic volumes exceeding the capacity of the regional network of highways and arterials existing in San Joaquin County. It was determined that existing funding sources, including federal, state, and local sources, will be inadequate to construct the Regional Transportation Network needed to avoid unacceptable levels of traffic congestion and related adverse impacts.

The Regional Transportation Impact Fee San Joaquin County (Fund 235) meets the agreement requirement to pay ten (10) percent of the total fee revenue collected to the County of San Joaquin for the purpose of funding RTIF Capital Projects within the County. Fund 235 has been set up to account for this revenue which is paid on a quarterly basis per the RTIF Operating Agreement.

b. **Amount of Fee:** The amount of the fee varies by land use type and location. Only 10 percent of the fee is placed in Fund 2350 (See Funds 2340 and 2360). The fund amounts are as follows:

2. Fund 235 – RTIF SJ County 10%

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	-
b.	Fees Collected	\$ 445,964
c.	Interest Earned	\$ 7,915
d.	Expenditures	(\$ 453,879)
e.	Transfers Out	
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	-

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2350 expended during the reporting period? Yes

A total of \$318,380 was expended from Fund 2350 to pay the County of San Joaquin for the portion of fee dedicated to RTIF Capital Projects within the County.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2350 transferred or loaned during the reporting period? No

c. Description of refunds made during reporting period.

Were funds from Fund 2350 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Transportation Impact Fee (RTIF) Fund 2350 will not have funds appropriated to any Capital Improvement Program (CIP) Projects. Its purpose is to account for the amount that is paid to the County of San Joaquin for the portion of the fee dedicated to RTIF Capital Projects within the County.



Regional Transportation Impact Fee
San Joaquin Council of Governments 15% – 2370

1. Fee Information

a. **Description and History of Fee:** The Regional Transportation Impact Fee (RTIF) Program Operating Agreement establishes the distribution of fee revenue collected by the participating agencies. Ten (10) percent of the fees collected by the City of Lathrop and each of the other participating agencies pass directly on to the San Joaquin Council of Governments (SJCOG) on a quarterly basis. This revenue is used to fund state highway improvements on the RTIF Project List. Another five (5) percent is paid directly to SJCOG on a quarterly basis to fund transit improvements on the RTIF Project List. Fund 237 was set up to account for this 15 percent of collected revenue to be passed on to SJCOG.

b. **Amount of Fee:** The amount of the fee is 15 percent of all fees collected under the RTIF Program (See Funds 2340 and 2360).

2. Fund Information – RTIF SJCOG 15%

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2024	-
b.	Fees Collected	\$ 668,947.18
c.	Interest Earned	\$ 11,857.17
d.	Expenditures	(\$ 680,804.35)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	-

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2370 expended during the reporting period? Yes

A total of \$477,552 was expensed from Fund 2370 to pay the San Joaquin Council of Governments (SJCOG) on a quarterly basis per the RTIF Operating Agreement.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2370 transferred or loaned during the reporting period? No

c. Description of refunds made during reporting period.

Were funds from Fund 2370 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Regional Transportation Impact Fee San Joaquin Council of Governments (SJCOG) Fund 2370 will not have funds appropriated to any Capital Improvement Program (CIP) Projects. Its purpose is to account for the amount that is paid to SJCOG on a quarterly basis per the RTIF operating Agreement.



Offsite Roadway Improvements Capital Facility Fee – 2380

1. Fee Information

a. Description and History of Fee: The Offsite Roadway Improvements Fee was adopted by Lathrop City Council on May 29, 2007. The purpose of the fee is to establish a funding mechanism to pay for the offsite roadway improvements applicable to the Stanford Crossing of the Central Lathrop Specific Plan (CLSP) area. The fee is collected to fund an estimated \$8.5 million of buildout improvements at six intersections (Roth Road/McKinley Avenue, Lathrop Road/5th Street, Lathrop Road/Airport Road, Louise Avenue/McKinley Avenue, Louise Avenue/Airport Road, and Yosemite Avenue/McKinley Avenue) impacted by the proposed CLSP development located east of Interstate 5. The calculations used for the CLSP offsite intersection CFFs are based on the assumptions and methodology used to calculate the West/Central Lathrop Regional Transportation CFF in the 2003 and 2005 CFF studies. The CLSP fair share of offsite intersection costs was allocated to each type of land use based on the adjusted number of afternoon peak hour trips. The cost allocated to each land use type were then divided by the number of units of development to arrive at the appropriate fee for each unit of new development.

In October 2024, the Offsite Roadway Improvements Capital Facility Fee was updated to add a new industrial/warehousing category (using relative trip-rate relationships between retail commercial and industrial/warehousing land uses) and converting the residential fee from a per-dwelling-unit charge to a per-building-square-foot charge to align with the study's approach for other transportation fees

b. Amount of Fee: The amount of the fee varies by land use type and location.

Central Lathrop Land Use Type	Unit	July 1, 2024 to December 31, 2025 (DU)	January 1, 2025 to June 30, 2025 (1,000 sqft)
Single Family	DU/1,000 sqft	\$ 183	\$ 72
Multi Family	DU/1,000 sqft	\$ 113	\$ 117
Retail Commercial	1,000 sqft	\$ 234	\$ 236
Service/Office Commercial	1,000 sqft	\$ 171	\$ 172
Warehouse	1,000 sqft	-	\$ 42

2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 249,496
b.	Fees Collected	\$ 93,603
c.	Interest Earned	\$ 14,963
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 358,062



a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 2380 expended during the reporting period? No

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2380 transferred or loaned during the reporting period? No

c. Description of refunds made during reporting period.

Were funds from Fund 2380 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Offsite Roadway Improvements Fee Fund 2380 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



North Lathrop Transportation Capital Facility Fee – 2420

1. Fee Information

a. Description and History of Fee: The North Lathrop Transportation Fee was established in January 2011. The purpose of the North Lathrop Transportation Fee is to establish a funding mechanism to pay for the planning, design, land acquisition, administration (including construction management and program management), and construction of the interchange and frontage road improvements (including streets, intersection relocations and traffic signals). The North Lathrop Study Area boundaries include the City of Lathrop, City of Manteca, and unincorporated San Joaquin County that are impacting the Roth/I5 Interchange and associated frontages

In October 2024, the North Lathrop Transportation Capital Facility Fee was updated to account for overlap with the San Joaquin County Regional Transportation Impact Fee (San Joaquin RTIF) after SJCOG adopted an RTIF update in June 2024 that included a portion of the I-5/Roth Road interchange improvement costs, so the City reduced the costs carried in the North Lathrop fee to avoid double-collecting for the same interchange improvements. In the 2024 update, the underlying interchange improvement cost estimate was otherwise maintained (City staff considered the original estimates still appropriate) and only inflated to current dollars, while the net cost included in the fee was reduced by the amount assumed to be funded through the San Joaquin RTIF. The study also notes that the development trip assumptions used in the fee were not reanalyzed as part of this update (so a future update is anticipated once trips are reevaluated in light of land use changes such as CLSP Phase 2), and it converts residential charges to a square-footage basis to align with AB 602 requirement

b. Amount of Fee: The amount of the fee varies by land use type and location.

City of Lathrop N Lathrop Transportation			
Land Use Type	Unit	July 1, 2024 to December 13, 2024	December 14, 2024 to June 30, 2025
CLSP Residential	DU	\$ 792.53	
CLSP Commercial/Limited Industrial	1,000 sf	\$ 4,340.05	\$889.68
N Lathrop Area – Residential	DU	\$ 938.53	
N Lathrop Area – Commercial	1,000 sf	\$ 62,081.72	
Gordon Trucking – Industrial	Acre	\$ 24,766.64	\$16,377.34
LN Industrial Building	1,000 sf	\$ 1,322.47	\$874.55
KSC Travel Center- Highway Commercial	Acre	\$ 126,084.71	\$83,377.56
Other Lathrop Projects – Residential	DU	\$ 914.46	\$604.21
Highway Commercial	1,000 sf	\$99,066.56	\$65,510.37



City of Manteca N Lathrop Transportation			
Land Use Type	Unit	July 1, 2024 to December 13, 2024	December 14, 2024 to June 30, 2025
Center Point- Light Industrial	1,000 sf	\$ 997.84	-
Other Manteca Projects – Light Industrial	1,000 sf	\$ 1,661.98	-
Retail	1,000 sf	\$ 28,205.72	-

San Joaquin County N Lathrop Transportation			
Land Use Type	Unit	July 1, 2024 to December 13, 2024	December 14, 2024 to June 30, 2025
Intermodal facility – Light Industrial	Acre	\$ 58,602.76	-
Other SJ County Projects – Residential	Acre	\$ 2,807.94	-
Retail	Acre	\$ 103,569.59	-
Light Industrial	Acre	\$ 8,728.94	-

2. Fund Information during Reporting Period

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 650
b.	Fees Collected	-
c.	Interest Earned	\$ 56
d.	Expenditures	-
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 706

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:



Were funds from Fund 2420 expended during the reporting period? No

b. Description of Transfers and Loans made from fund.

Were funds from Fund 2420 transferred or loaned during the reporting period? Yes

A total of \$11,437 was transferred from Fund 2420 to Roth Road and I-5 Improvements Project PS 14-04.

c. Description of refunds made during reporting period.

Were funds from Fund 2420 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The North Lathrop Transportation Fee Fund 2420 does not currently have funds appropriated to the Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



Park in Lieu – 3410

1. Fee Information

a. **Description and History of Fee:** This fee is collected under the authority of the Quimby Act, California Government Code Section 66477, to fund the acquisition of parkland needed to support new residential development. The fee is only charged in cases where parkland is not dedicated as part of a subdivision. The locations of the projects to be funded are generally described in the “Comprehensive General Plan and Environmental Impact Report for the City of Lathrop, California, December 1991.”

b. **Amount of Fee:** The amount of the fee varies from project to project but is always equal to the market value of the land for which the fee is being paid in lieu. Dedication (or payment of fees) is required in an amount necessary to provide five (5) acres of parkland per 1,000 new residents. An average rate of 3.59 people per household, results in park dedication of approximately one (1) acre of land for every 55.71 dwelling units.

2. Fund Information (During Reporting Period)

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 3,127,220
b.	Fees Collected	\$ 507,063
c.	Interest Earned	\$ 170,985
d.	Expenditures	(\$ 3,246,823)
e.	Transfers Out	-
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 558,446

a. **Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:**

Were funds from Fund 3410 expended during the reporting period? No

b. **Description of Transfers and Loans made from fund.**

Were funds from Fund 3410 transferred or loaned during the reporting period? No

c. **Description of refunds made during reporting period.**

Were funds from Fund 3410 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Park in Lieu Fee Fund 3410 currently does not have funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



Water Capital Facility Fee – 5610

1. Fee Information

a. Description and History of Fee: The Water Capital Facility Fee is collected to fund improvements to water facilities in support of new development as well as to upgrade and maintain the City's existing system. A water component, based on the city's planned development, was not added to the Capital Facility Fee Program until the 1994 update as the City's updated General Plan was not yet complete. The 1994 study, added a fee based on land usage and type appropriate for the City's future growth to fund and maintain new and existing water facilities. The Capital Facility Fee Program was updated in 2003 to reflect the direction in which the city was headed (and reevaluated in 2005 to show the impacts of inflation). The 2003 and 2005 studies identified facilities to accommodate for growth west of Interstate 5 as well as growth and improvements in Historic Lathrop.

At the present time, Lathrop obtains water supplies from the underlying groundwater basin using five active wells. Along with the five wells, the City's existing water system includes four above ground storage tanks, four booster pump stations, and over 77 miles of distribution pipelines.

Four separate water system Capital Facility Fees have been set up to address the current underground water supply.

- ✓ An updated water system CFF for East Lathrop based on a system buy-in approach since the water system in that area is largely built out;
- ✓ An incremental cost for West/Central Lathrop to reflect the cost of adding arsenic treatment to groundwater wells and for a portion of the cost of a standby well to provide additional water system reliability for the entire City;
- ✓ An incremental cost CFF for the Mossdale Landings developments associated with the cost of a 1.0 MG storage reservoir;
- ✓ A reimbursement CFF for the Crossroads area.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study "Nexus Study" adopted on March 12, 2018 identified approximately \$3.3 million to construct the water system facilities. SLSP's fair share of the cost is 30% and the remainder of the \$3.3 million cost would be funded by other developments that will benefit from this facility. The Water Capital Facility Fee was reevaluated May 3, 2018. The studies included adjusting the previous Capital Facility Fee to reflect the effects of inflation.

In October 2019 the SLSP and the Lathrop Gateway Business Park Specific Plan (LGBPSP) CFF study provided an update to the CFF program for the SLSP area and established a fee program for the LGBPSP area. The LGBPSP CFF Study identified approximately \$12.8 million storm drainage facilities improvements. In May 2020, the CFF program was updated based on actual facility construction cost for SLSP and LGBPSP.

In July 2022, the CLSP CFF was updated to include a new water tank and booster pump facility located in the Central Lathrop. The effective date of the updated fees were October 10, 2022.

Capital Facilities Fee Funds Report
Water Capital Facility Fee – 5610



In October 2024, the CLSP Water Tank 1 CFF was updated by recalculating the fee using 2024-dollar costs (inflated using the ENR 20-City CCI, with December 2023 as the index basis) and revising key allocation inputs. The update was needed because the City expanded the Water Tank 1 service area by adding eight parcels (including a parcel in CLSP Phase 2, which required adding an industrial category) and revised the average daily water-demand factors used to allocate costs across land uses, better aligning the fee with current service-area assumptions and projected demands.

b. Amount of Fee: The amount of the fee varies by meter size and location. The current fees are as follows:

July 1, 2024 to December 31, 2024						
Meter Size	East Lathrop	Crossroads	North Harlan	Mossdale Village/Landing, Central Lathrop, Stewart Tract, SLSP-Non SLCC & Gateway	Mossdale Landing (Storage)	SLSP-Non SLCC & Gateway (Buy-In)
5/8	\$ 1,530		\$ 1,438	\$ 940	\$ 1,113	\$ 1,530
1 FS	\$ 1,530		\$ 1,438	\$ 940	\$ 1,113	\$ 1,530
¾	\$ 2,296		\$ 2,157	\$ 1,409	\$ 1,670	\$ 2,296
1	\$ 3,826		\$ 3,595	\$ 2,351	\$ 2,782	\$ 3,826
1 ½	\$ 7,650		\$ 7,191	\$ 4,700	\$ 5,563	\$ 7,650
2	\$ 12,241		\$ 11,505	\$ 7,520	\$ 8,902	\$ 12,241
3	\$ 22,953		\$ 21,570	\$ 14,101	\$ 16,690	\$ 22,953
4	\$ 38,253		\$ 35,952	\$ 23,502	\$ 27,818	\$ 38,253
6	\$ 76,507		\$ 71,902	\$ 47,005	\$ 55,634	\$ 76,507
8	\$ 122,411		\$115,043	\$ 75,209	\$ 89,015	\$122,411
10	\$ 221,871		\$208,515	\$136,315	\$161,340	\$221,871

January 1, 2025 to June 30, 2025						
Meter Size	East Lathrop	Crossroads	North Harlan	Mossdale Village/Landing, Central Lathrop, Stewart Tract, SLSP-Non SLCC & Gateway	Mossdale Landing (Storage)	SLSP-Non SLCC & Gateway (Buy-In)
5/8	\$ 1,543		\$ 1,451	\$ 948	\$ 1,122	\$ 1,543
1 FS	\$ 1,543		\$ 1,451	\$ 948	\$ 1,122	\$ 1,543
¾	\$ 2,316		\$ 2,175	\$ 1,422	\$ 1,684	\$ 2,316
1	\$ 3,859		\$ 3,626	\$ 2,371	\$ 2,807	\$ 3,859
1 ½	\$ 7,717		\$ 7,253	\$ 4,741	\$ 5,611	\$ 7,717

Capital Facilities Fee Funds Report
Water Capital Facility Fee – 5610



2	\$ 12,347		\$ 11,605	\$ 7,586	\$ 8,980	\$ 12,347
3	\$ 23,152		\$ 21,758	\$ 14,224	\$ 16,836	\$ 23,152
4	\$ 38,587		\$ 36,264	\$ 23,707	\$ 28,060	\$ 38,587
6	\$ 77,173		\$ 72,528	\$ 47,414	\$ 56,118	\$ 77,173
8	\$ 123,477		\$ 116,044	\$ 75,864	\$ 89,790	\$ 123,477
10	\$ 223,802		\$ 210,330	\$ 137,501	\$ 162,744	\$ 223,802

The amount of the fee rates in the SLSP development area are per 1,000 square feet of building space.
The current fees are as follows:

<u>South Lathrop Specific Plan Land Use Type (Storage)</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Office Commercial	1,000 sqft	\$ 1,226	\$ 1,237
Limited Warehouse	1,000 sqft	\$ 580	\$ 585
Warehouse	1,000 sqft	\$ 165	\$ 167

The amount of the fee rates in the SLSP – Non SLCC development area are per Acre.
The current fees are as follows:

<u>South Lathrop Specific Plan Land Use Type (Water-Line)</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Office Commercial	Acre	\$ 11,862	\$ 11,966
Limited Warehouse	Acre	\$ 11,862	\$ 11,966
Warehouse	Acre	\$ 11,862	\$ 11,966

The amount of the fee rates in the Lathrop Gateway Business Park development area.
The current fees are as follows:

<u>Lathrop Gateway Business Park</u>	<u>July 1, 2024 to December 31, 2024</u>		
<u>Land Use Type</u>	<u>Water System Storage (Per 1,000 sf.)</u>	<u>Water Line Water Loop (Acre)</u>	<u>Water Line Non-Water Loop (Linear Foot)</u>
Shopping Center	\$ 704	\$ 6,992	\$ 189.49
Office Park	\$ 664	\$ 6,992	\$ 189.49
Industrial Park	\$ 528	\$ 6,992	\$ 189.49
Warehouse	\$ 151	\$ 6,992	\$ 189.49



Lathrop Gateway Business Park	January 1, 2025 to June 30, 2025		
Land Use Type	Water System Storage (Per 1,000 sf.)	Water Line Water Loop (Acre)	Water Line Non-Water Loop (Linear Foot)
Shopping Center	\$ 710	\$ 7,052	\$ 191.14
Office Park	\$ 670	\$ 7,052	\$ 191.14
Industrial Park	\$ 533	\$ 7,052	\$ 191.14
Warehouse	\$ 152	\$ 7,052	\$ 191.14

Central Lathrop Specific Plan	Water System Storage Tank #1	
Land Use Type	October 10, 2024 to December 31, 2024	January 1, 2025 to June 30, 2025
Single Family Home	\$ 2,515	\$ 1,734
Multi-Family Homes	\$ 1,551	\$ 1,293
Commercial	-	\$ 4,733
Industrial	\$ -	\$ 5,096
All Development	\$7,605	-

2. Fund Information during Reporting Period

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 6,391,507.65
b.	Fees Collected	\$ 1,401,459
c.	Interest Earned	\$ 370,000
d.	Expenditures	(\$ 596,698)
e.	Transfers Out	(\$ 35,000)
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 7,531,268

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 5610 expended during the reporting period? Yes

A total of \$1,218,316 was expensed from Fund 5610 to reimbursed developers for constructing public improvements.

b. Description of Transfers and Loans made from fund.

Capital Facilities Fee Funds Report
Water Capital Facility Fee – 5610



Were funds from Fund 5610 transferred or loaned during the reporting period? Yes

A total of \$1,000,000 was transferred from Fund 5610 to the East Lathrop Water Main and Lateral Upgrades.

c. Description of refunds made during reporting period.

Were funds from Fund 5610 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Water Capital Facility Fee Fund 5610 currently has funds appropriated to the Capital Improvement Program (CIP) Project for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Project	Amount	% of Improvements
East Lathrop Water main and Lateral Upgrades, PW 24-12	\$1,000,000	83
Total	\$1,000,000	



Surface Water Capital Facility Fee – 5640

1. Fee Information

a. Description and History of Fee: The Surface Water Supply Capital Facility Fee is collected to fund The City of Lathrop's proportionate share of costs related to the South County Surface Water Supply Project (SCSWSP) with the South San Joaquin Irrigation District (SSJID).

The South County Surface Water Supply Project is a joint project between the Cities of Lathrop, Manteca, Escalon and Tracy that built a water treatment facility (the Nick C. DeGroot Treatment Facility), a pipeline to transport raw water from the Woodward Reservoir to the treatment facility and additional pipelines to transport the treated water to the participating cities.

Prior to the SCSWSP the city obtained all of its water supplies from the underlying groundwater basin using wells. With new development and recognizing the limitations of the groundwater resources the SCSWSP was needed. The City issued COPs in 2000 to help pay for the planning, engineering, and design costs associated with the project. Additionally, revenue bonds were issued in 2003 with a par value of \$32,530,000 to fund construction costs for the city's capacity.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study "Nexus Study" adopted on March 12, 2018 identified that the SLSP is also subject to the Surface Water Impact fee. The Surface Water Capital Facility Fee was reevaluated May 3, 2018. The studies included adjusting the previous Capital Facility Fee to reflect the effects of inflation.

b. Amount of Fee: The amount of the fee varies by land use type and location.

July 1, 2024 to December 31, 2024			
Meter Size	East Lathrop, North Harlan, Crossroads & SLSP- SLCC	Central Lathrop	Mossdale Village, SLSP – Non SLCC & Gateway
5/8	\$ 3,442	\$ 6,099	\$ 4,507
1" FS	\$ 3,442	\$ 6,099	\$ 4,507
¾	\$ 5,162	\$ 9,149	\$ 6,761
1	\$ 8,604	\$ 15,248	\$ 11,268
1 ½	\$ 17,208	\$ 30,495	\$ 22,535
2	\$ 27,532	\$ 48,792	\$ 36,056
3	\$ 51,623	\$ 91,485	\$ 67,605
4	\$ 86,038	\$ 152,475	\$ 112,675
6	\$ 172,077	\$ 304,950	\$ 225,350
8	\$ 275,323	\$ 487,920	\$ 360,560
10	\$ 499,022	\$ 884,355	\$ 653,515



January 1, 2025 to June 30, 2025			
Meter Size	East Lathrop, North Harlan, Crossroads, & SLSP - SLCC	Central Lathrop	Mossdale Village, SLSP – Non SLCC & Gateway
5/8	\$ 3,668	\$ 6,178	\$ 4,567
1" FS	\$ 3,668	\$ 6,178	\$ 4,567
¾	\$ 5,502	\$ 9,267	\$ 6,851
1	\$ 9,170	\$ 15,445	\$ 11,418
1 ½	\$ 18,341	\$ 30,890	\$ 22,835
2	\$ 29,345	\$ 49,424	\$ 36,536
3	\$ 55,022	\$ 92,670	\$ 68,505
4	\$ 91,703	\$ 154,450	\$ 114,175
6	\$ 183,405	\$ 308,900	\$ 228,350
8	\$ 293,448	\$ 494,240	\$ 365,360
10	\$ 531,875	\$ 895,810	\$ 662,215

2. Fund Information during Reporting Period

	Source	Amount
a.	Beginning Fund Balance as of July 1, 2024	\$ 496,720
b.	Fees Collected	\$ 90,864
c.	Interest Earned	\$ 62,501
d.	Expenditures	(\$ 90,864)
e.	Transfers Out	
f.	Refunds	-
g.	Ending Fund Balance as of June 30, 2025	\$ 559,221

a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 5640 expended during the reporting period? Yes

A total of \$415,241 was expensed from Fund 5640 to reimbursed developers for constructing public improvements.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 5640 transferred or loaned during the reporting period? No

c. Description of refunds made during reporting period.

Were funds from Fund 5640 refunded during this reporting period? No



3. Planned Projects for Fiscal Year 2024-2025: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Surface Water Supply Fund Fee 5640 does not currently have funds appropriated to any Capital Improvement Program (CIP) Projects. The fund pays for the costs related to the South County Surface Water Supply Program Project.



Sewer Capital Facility Fee – 6030

1. Fee Information

a. Description and History of Fee: The Sewer Capital Facilities Fees, adopted in 1993, are collected in order to fund new sewer facilities to accommodate new development as well as to provide improvements to the city's existing facilities. The Crossroads fee is an exception in that it is collected to reimburse the developer for infrastructure that was built with the original project. Lathrop's existing facilities consist of: 14.7% capacity of the Manteca Water Quality Control Facility to service the Historic Lathrop area, and the Consolidated Treatment Facility (CTF) to service development west of Interstate 5 and for businesses located within the Crossroads development area. The CTF represents a consolidation of the two previous Lathrop treatment facilities, the Membrane Biological Reactor (MBR) Treatment Facility and the Water Recycling Plant (WRP1). An update to the Sewer Capital Facilities Fee was implemented in 2003 and again in 2005 to show the effects of inflation.

The city plans to expand the capacity of the existing CTF plant to accommodate for future growth in the Mossdale Landing and River Islands areas and for Richland Communities development.

On August 3, 2015 City Council approved entitlements for the South Lathrop Specific Plan (SLSP) area. The entitlements required an update to the CFF program to establish fees to fund the improvements for the SLSP area. The SLSP CFF Study "Nexus Study" adopted on March 12, 2018 identified that the SLSP is also subject to the Sewer Capital Facility Fee. The fee was reevaluated in January 23, 2019 CFF update and was updated to reflect the effects of inflation. In addition, the CLSP Sewer/Recycled Water Facilities CFF was added to the CFF program.

In October 2019 the SLSP and the Lathrop Gateway Business Park Specific Plan (LGBPSP) CFF study provided an update to the CFF program for the SLSP area and established a fee program for the LGBPSP area. The LGBPSP CFF Study identified approximately \$12.8 million storm drainage facilities improvements. In May 2020, the CFF program was updated based on actual facility construction cost for SLSP and LGBPSP.

In February 2020, the Sewer Reimbursement CFF Study established a fee program for the construction of oversized sewer facilities including future construction of sewer facilities within the City.

In October 2024, the CLSP Sewer/Recycled Water System CFF was updated to incorporate revised 2024-dollar costs for backbone sewer and recycled water facilities (including additional pump station and force main work) and to realign how those costs are allocated to future development in CLSP. The update reflects a higher total reimbursable facilities cost of about 20.2 million (in 2024 dollars) for a share of the pump station, force mains, sewer mains, and recycled water mains, and it introduces separate fee categories for limited industrial and dry warehouse uses, recognizing their lower wastewater demand relative to commercial and residential uses. The City also updated wastewater flow factors (gallons per day per unit or per acre) and CLSP land-use assumptions after the Phase 2 amendments, then recalculated the per-unit and per-1,000-square-foot charges so that each land use's fee is proportionate to its revised share of total daily wastewater flow.



b. Amount of Fee: The amount of the fee varies by land use type and location.

July 1, 2024 to December 31, 2024				
Meter Size	East Lathrop & North Harlan	Crossroads	Mossdale Village/Landing, Central Lathrop, Stewart Tract, SLSP & Gateway (Recycled Water Outfall)	Mossdale Village/Landing, SLSP-Non SLCC & Gateway (Sewer Collect/ Recycle Water Dist. System)
5/8	\$ 6,883		\$ 56	\$ 1,346
1" FS	\$ 6,883		\$ 56	\$ 1,346
3/4	\$ 10,325		\$ 86	\$ 2,018
1	\$ 17,208		\$ 142	\$ 3,363
1 ½	\$ 34,415		\$ 282	\$ 6,725
2	\$ 55,064		\$ 452	\$ 10,760
3	\$ 103,245		\$ 849	\$ 20,176
4	\$ 172,076		\$ 1,415	\$ 33,625
6	\$ 344,151		\$ 2,828	\$ 67,250
8	\$ 550,642		\$ 4,525	\$ 107,599
10	\$ 998,038		\$ 8,201	\$ 195,024
ISU	\$ 10,523			
GPD		\$ 50.89		

January 1, 2025 to June 30, 2025				
Meter Size	East Lathrop & North Harlan	Crossroads	Mossdale Village/Landing, Central Lathrop, Stewart Tract, SLSP & Gateway (Recycled Water Outfall)	Mossdale Village/Landing, SLSP-Non SLCC & Gateway (Sewer Collect/ Recycle Water Dist. System)
5/8	\$ 6,943		\$ 57	\$ 1,357
1" FS	\$ 6,943		\$ 57	\$ 1,357
3/4	\$ 10,414		\$ 86	\$ 2,035
1	\$ 17,357		\$ 143	\$ 3,392
1 ½	\$ 34,715		\$ 285	\$ 6,783
2	\$ 55,544		\$ 456	\$ 10,853
3	\$ 104,144		\$ 856	\$ 20,351
4	\$ 173,574		\$ 1,427	\$ 33,918
6	\$ 347,147		\$ 2,852	\$ 67,835
8	\$ 555,435		\$ 4,564	\$ 108,536
10	\$ 1,006,726		\$ 8,273	\$ 196,722
ISU	\$ 10,615			
GPD		\$ 51.34		

Capital Facilities Fee Funds Report
Sewer Capital Facility Fee – 6030



<u>Central Lathrop Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Single Family - Residential	DU	\$ 3,215	\$ 5,639
Multi-Family - Residential	DU	\$ 2,733	\$ 4,699
Commercial	1,000 sf.	\$ 726	\$ 1,343
Industrial	1,000 sf.	\$ 726	\$ 432
Dry Warehouse	1000 sf.	\$ 726	\$310

<u>South Lathrop Specific Plan – SLSP Non SLCC Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Office Commercial	Acre	\$ 24,217	\$ 24,427
Limited Industrial	Acre	\$ 24,217	\$ 24,427
Warehouse	Acre	\$ 24,217	\$ 24,427

<u>Lathrop Gateway Business Park Land Use Type</u>	<u>Unit</u>	<u>July 1, 2024 to Dec. 31, 2024</u>	<u>Jan. 1, 2025 to June 30, 2025</u>
Shopping Center	1,000 sf.	\$ 867	\$ 875
Office Park	1,000 sf.	\$ 761	\$ 768
Industrial Park	1,000 sf.	\$ 364	\$ 368
Warehouse	1,000 sf.	\$ 364	\$ 368

2. Fund Information during Reporting Period

	<u>Source</u>	<u>Amount</u>
a.	Beginning Fund Balance as of July 1, 2024	\$ 11,728,490
b.	Fees Collected	\$ 1,861,896
c.	Interest Earned	\$ 584,139
d.	Expenditures	(\$ 4,079,428)
e.	Transfers Out	(\$ 9,340,800)
f.	Refunds	-
g.	Prior Year Adjustments	-
h.	Ending Fund Balance as of June 30, 2025	\$ 754,297



a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 6030 expended during the reporting period? Yes

A total of \$2,413 was expensed from Fund 6030 to reimburse developers for constructing public improvements.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 6030 transferred or loaned during the reporting period? Yes

A total of \$2,548,289 was transferred from Fund 6030 to cover the following projects;

- \$2,250,000 for the Consolidated Treatment Facility Phase 3 Project WW 22-38
- \$298,289 for the Surface Water Discharge Project, WW 20-17

c. Description of refunds made during reporting period.

Were funds from Fund 6030 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Sewer Capital Facility Fee Fund 6030 currently has no funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.



a. Expenditure Summary: Identification of each improvement on which reportable fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that was funded with reportable fees:

Were funds from Fund 6030 expended during the reporting period? Yes

A total of \$2,413 was expensed from Fund 6030 to reimbursed developers for constructing public improvements.

b. Description of Transfers and Loans made from fund.

Were funds from Fund 6030 transferred or loaned during the reporting period? Yes

A total of \$2,548,289 was transferred from Fund 6030 to cover the following projects;

- \$2,250,000 for the Consolidated Treatment Facility Phase 3 Project WW 22-38
- \$298,289 for the Surface Water Discharge Project, WW 20-17

c. Description of refunds made during reporting period.

Were funds from Fund 6030 refunded during this reporting period? No

3. Planned Projects for Fiscal Year 2024-25: Identification of each improvement on which reportable fees will be expended and the amount of the expenditures on each improvement, including the total percentage of the cost of each project of the district that will be funded with reportable fees:

The Sewer Capital Facility Fee Fund 6030 currently has no funds appropriated to any Capital Improvement Program (CIP) Projects for Fiscal Year 2024-25. Please refer to the City's 2023-2028 Capital Improvement Program adopted by City Council June 12, 2023, Resolution 23-5321.

Five Year Capital Facilities Fee Fund Report
 (Report Made Pursuant to Government Code Section 66000 et. seq.)
 Name of Fund: Transportation Capital Facility Fee
 Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee: This fee is collected in order to fund street improvements on the east side of Interstate 5. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended September 2, 2003. A portion of this fee is set aside for use on regional street improvements.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2230 - Reg Traff Impact Fee, 2250 Traffic Mitigation & 2340 SJ RTIF *

CFF Fund 2230 - Reg Traff Impact Fee, 2250 Traffic Mitigation & 2340 SJ RTIF *															
Improvements	Cost of Improvement	Funding Anticipated to Complete Financing										2230	2250	2340	Funding Xfrd
		Source: Capital Facility Fee					Source: Measure K, Developer Contribution, Other								
		%	Funding	Date Available	[1]	%	Funding	Date Available							
Lathrop/Reverend Maurice Cotton Intersection Widening	219,747	100%	219,747	2018							X	X			\$ 178,515
Lathrop/Avon Intersection Widening	219,747	100%	219,747	2018							X	X			\$ 178,515
Lathrop/5th Street Intersection Widening	109,874	100%	109,874	2018							X	X			\$ 89,258
Lathrop/McKinley Intersection Widening	109,874	100%	109,874	2030							X	X			\$ 89,258
Louise/McKinley Intersection Widening	219,747	100%	219,747	2030							X				
McKinley/Yosemite/Vierra Intersection Widening	219,747	100%	219,747	2030							X				\$ 49,307
Traffic Signal - Louise Avenue and McKinley	305,206	100%	305,206	2011								X			\$ 355,911
Traffic Signal - Lathrop and Reverend Maurice Cotton	305,206	100%	305,206	2018							X	X			\$ 247,938
Traffic Signal - Lathrop and McKinley	305,206	100%	305,206	2030							X	X			\$ 247,938
Traffic Signal - Lathrop and Avon	305,206	100%	305,206	2030							X	X			
Traffic Signal - McKinley & Yosemite/Vierra	305,206	100%	305,206	2030								X			
Grade Separation - Lathrop @ UPRR	17,986,758	22%	2,492,548	2008							X	X			\$ 2,492,548
Grade Separation - Lathrop @ SPRR	17,986,758	0%	0	2018							X	X	X		\$ 1,051,899
Harlan Road (Roth to Louise) Widening	635,844	100%	635,844	2030								X			\$ 340,218
Lathrop Road (UPRR to SPRR) Widening	343,356	100%	343,356	2018							X	X	X		\$ 278,931
Roth Road (UPRR to SPRR) Widening	495,958	83%	411,645	2030								X			
Roth Road /I-5 Interchange	5,595,428	83%	4,644,205	2035								X			\$ 483,000
Lathrop Road /I-5 Interchange	24,296,752	100%	24,296,752	2035							X	X	X		\$ 6,012,472

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Transportation Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

This fee is collected in order to fund street improvements on the east side of Interstate 5. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended September 2, 2003. A portion of this fee is set aside for use on regional street improvements.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2230 - Reg. Traff. Impact Fee, 2250 Traffic Mitigation & 2340 SJ RTIF *

CFF Fund 2230 - Reg Traff Impact Fee, 2250 Traffic Mitigation & 2340 SJ RTE *													
Funding Anticipated to Complete Financing													
Improvements	Cost of Improvement	Source: Capital Facility Fee				Source: Measure K, Developer Contribution, Other				2230	2250	2340	Funding Xfrd
		%	Funding	Date Available [1]	%	Funding	Date Available						
Louise Avenue / I-5 Interchange	47,621,634	100%	47,621,634	2030				X	X			\$ 3,000,758	
Phase 1 - SR120/Yosemite EP Phase	2,800,939	100%	2,800,939	2025					X			\$ 2,445,711	
Phase 2 - SR120/Yosemite Interim Phase	18,227,423	100%	18,227,423	2025					X			\$ 1,894,168	
Yosemite Avenue - Segment 1 SR 120 to Yosemite Ct	805,437	100%	805,437	2030					X				
Yosemite Avenue - Segment 2 Yosemite Ct to D'Arcy Pkwy	918,417	100%	918,417	2030					X				
Yosemite Avenue - Segment 3 D'Arcy Pkwy to McKinley Ave	522,380	100%	522,380	2030					X				
Yosemite Avenue - Segment 4 McKinley Ave to UPRR Tracks	461,638	100%	461,638	2030					X				
Yosemite Avenue - Intersection 1 Yosemite Ave / Yosemite Ct	765,348	100%	765,348	2030					X				
Yosemite Avenue - Intersection 2 Yosemite Ave / D'Arcy Pkwy	510,232	100%	510,232	2030					X				
Yosemite Avenue - Intersection 3 Yosemite Ave / McKinley Ave	935,425	100%	935,425	2030					X				
Yosemite Avenue At-Grade UPRR Crossing	728,903	100%	728,903	2030					X				
McKinley Avenue - Segment 1 Yosemite Ave to UPRR Crossing	524,810	100%	524,810	2030					X				
McKinley Avenue At-Grade UPRR Crossing	728,903	100%	728,903	2030					X				
Lathrop Road / McKinley Avenue Improvements	607,419	100%	607,419	2030					X				
Louise avenue / McKinley Avenue Improvements	728,903	100%	728,903	2030					X				
Airport Way / Daniels Street Improvements	753,199	100%	753,199	2030					X				
Airport Way / WB SR 120 Ramps Improvements	6,013,446	100%	6,013,446	2030					X				
Airport Way / EB SR 120 Ramps Improvements	6,013,446	100%	6,013,446	2030					X				
Harlan Road / Lathrop Road Intersection Improvements	789,644	100%	789,644	2025					X				
5th Street / Lathrop Road Intersection Improvements	789,644	100%	789,644	2025					X				
Howland Road / Louise Avenue Intersection Improvements	789,644	100%	789,644	2030					X				

*Note: Fund 223 was closed as of Feb. 20,2006. Revenues for these projects will now come from Funds 234 and 236 as a result of the change from Regional Transportation Fee to San Joaquin Regional Transportation Impact Fee (RTIF).
[1] Dates shown were based on the 2005 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Culture and Leisure Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee: This fee is collected in order to funds parks, a library facility, senior center and cultural center needed to accommodate new development. The projects to be funded are listed in the report titled " City of Lathrop, Capital Facilities Fees, as amended September 2, 2003."
2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES
If yes, describe the reasonable relationship between the fee and its purpose.
New development creates additional need for recreational facilities such parks, libraries, cultural and senior centers. This fee will pay for those improvement needed to provide these facilities.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2260 - Culture and Leisure		Funding Anticipated to Complete Financing				
Improvements	Cost of Improvement	Source: Capital Facility Fee		Source: Measure K, Developer Contribution, Other		Funding Xfrd
		%	Funding	Date Available [1]	%	Funding
Neighborhood Parks [1]	\$ 52,103,731	100%	\$ 52,103,731	2030		\$ 2,632,491
Community Parks [1]	\$ 79,222,140	100%	\$ 79,222,140	2030		\$ 3,353,632
Linear Parks and Bikeways [1]	\$ 24,625,042	100%	\$ 24,625,042	2030		\$ 210,000
Specialized Community Park Facilities[2]	\$ 27,672,464	100%	\$ 27,672,464	2030		\$ 1,000,000
Cultural Center [1]	\$ 9,764,752	100%	\$ 9,764,752	2030		
CLSP Neighborhood Parks	\$ 8,720,241	100%	\$ 8,720,241	2030		\$ 524,698
Community Center (New) [3]	\$ 81,896,961	100%	\$ 81,896,961	2035		

*Note: A portion of the Culture and Leisure Improvements have been completed. Ten percent (10%) of the Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections.

[2] Dates shown were based on the 2018 CFF Update projections.

[3] Pursuant to the 2024 CFF Update, the library, senior center, and expansion to the community were consolidated into the new community center

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Municipal Services Capital Facilities Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee: This fee is collected in order to fund a city hall, police station, corporation yard and animal control shelter needed to accommodate for new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facilities Fees, as amended September 2, 2003."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES
If yes, describe the reasonable relationship between the fee and its purpose.
New development creates additional need for city services including a larger city hall, police station, corporation yard and animal shelter. This fee will pay for those improvement needed to provide these facilities.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2270 - City Services		Funding Anticipated to Complete Financing					
Improvements	Cost of Improvement	Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
		%	Funding	Date Available [1]	%	Funding	Funding Xfrd
Police Facility	\$ 13,975,896	100%	\$ 13,975,896	2020			\$ 8,398,505
Future Police Facility	\$ 99,459,538	100%	\$ 99,459,538	2030			
Animal Control Center	\$ 13,187,195	100%	\$ 13,187,195	2030			
City Hall	\$ 34,267,375	100%	\$ 34,267,375	2030			\$ 9,401,832
Corporation Yard	\$ 14,581,212	100%	\$ 14,581,212	2030			\$ 3,322,014
Performing Arts Center	\$ 9,680,785	100%	\$ 9,680,785	2030			
Wireless Network	\$ 2,315,899	100%	\$ 2,315,899	2030			
Fleet Maintenance Facility	\$ 15,290,431	100%	\$ 15,290,431	2030			

[1] Dates shown were based on the 2005 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Storm Drainage Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee:
This fee is collected in order to fund storm drain improvements needed to accommodate new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facilities Fees, as amended September 2, 2003."
2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES
If yes, describe the reasonable relationship between the fee and its purpose.
New development will create additional storm drainage run-off, which varies by the type of use (coverage of ground with impervious surfaces varies greatly depending on land use). This fee is calculated to spread the cost of needed storm drainage facilities based on the amount of water run-off is likely to occur from each type of land use.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2280 - Storm Drain		Funding Anticipated to Complete Financing				
Improvements	Cost of Improvement	Source: Capital Facility Fee		Date Available [1]	Source: Measure K, Developer Contribution, Other	
		%	Funding		%	Funding
Mossdale Village Outfall *	\$ 2,196,847	100%	\$ 2,196,847	2030		
Trunkline "A-1" Improvements	\$ 4,108,781	100%	\$ 4,108,781	2030		\$ 248,262
Trunkline "C" Improvements	\$ 6,659,587	100%	\$ 6,659,587	2030		\$ 835,623
Storm Drain System Improvements "Watershed #2"*	\$ 10,302,507	100%	\$ 10,302,507	2030		\$ 191,500
Storm Drain System Improvements "Watershed #4"*	\$ 8,913,145	100%	\$ 8,913,145	2030		
Storm Drainage Facilities - SLSP Area*	\$ 19,333,064	100%	\$ 19,333,064	2030		\$ 1,706,342
Regional Outfall Structure Facilities*	\$ 4,441,990	100%	\$ 4,441,990	2030		
Storm Drainage Facilities - LGBPSP Area	\$ 15,686,047	100%	\$ 15,686,047	2030		

*Note: Project was completed and accepted. CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Administration Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee: This fee is collected in order to defer the administrative costs of collecting and accounting for the funds collected for Transportation, City Services, and Culture and Leisure as identified in the report titled "City of Lathrop, Capital Facility Fee, as amended September 2, 2003."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES
If yes, describe the reasonable relationship between the fee and its purpose.
Costs are incurred in collection of and accounting for the fees described above. These cost are reimbursed through this 2% fee.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2290 - Administration		Funding Anticipated to Complete Financing					
Improvements	Cost of Improvement	Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
		%	Funding	Date Available [1]	%	Funding	Date Available
CFF Report Update (Bi Annually)	\$ 93,447	100%	\$ 93,447	2030			
CLSP - Prior Developer Account Open Items	\$ 249,575	100%	\$ 249,575	2030			
							Funding Xfrd \$ 290,663

[1] Dates shown were based on the 2005 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Environmental Mitigation Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee:

This fee is collected from development on the west side of Interstate 5 in order to preserve the habitat of the Riparian Brush Rabbit as required by the environmental mitigation measures. This fee will be used to acquire the land and construct a fence needed to protect the rabbit.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES
If yes, describe the reasonable relationship between the fee and its purpose.
New development on the west side of Interstate 5 will endanger the Riparian Brush Rabbit thus creating the need to protect it. This fee was created solely for that reason.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2310 - Environmental Mitigation		Funding Anticipated to Complete Financing				
Improvements	Cost of Improvement	Source: Capital Facility Fee		Source: Measure K, Developer Contribution, Other		Funding Xfrd
		%	Date Available [1]	%	Date Available	
Rabbit Habitat Mitigation	\$ 896,708	100%	\$ 896,708			\$ 122,279

*Note: Project was completed. All Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Transportation Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee: This fee is collected in order to fund street improvements on the west side of Interstate 5. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended September 2, 2003. A portion of this fee is set aside for use on regional street improvements.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

2360 SJ RTIF		Funding Anticipated to Complete Financing															
Improvements	Cost of Improvement	Source: Capital Facility Fee					Source: Measure K, Developer Contribution, Other					1997 RTIF	2003 CFF	2003 CFF	2360 CFF		
		%	Funding	Date Available [1]	%	Funding	Date Available	%	Funding	Date Available							
Macarthur Dr. from 1-205 to Arbor Ave	\$ 2,536,704	62.00%	\$ 1,572,756	2030	38.00%	\$ 963,947											
Traffic Signal at Macarthur Dr. & Arbor Ave.	\$ 874,059	58.80%	\$ 513,947	2030	41.20%	\$ 360,112											
Traffic Signal at GVP and Paradise Ave.	\$ 874,059	80.10%	\$ 700,121	2030	19.90%	\$ 173,938											
Traffic Signal at GVP and RIP	\$ 874,059	96.10%	\$ 839,970	2023	3.90%	\$ 34,088											
Traffic Signal at GVP and Lathrop Road/Spartan Way	\$ 874,059	0.00%	\$ -	2021	100.00%	\$ 874,059											
Traffic Signal at RIP and Somerston Pkwy	\$ 512,835	97.00%	\$ 497,450	2025	3.00%	\$ 15,385											
Traffic Signal at Lakeside Dr and Somerston Pkwy	\$ 512,835	91.10%	\$ 467,193	2030	8.90%	\$ 45,642											
Traffic Signal at GVP and Somerston Pkwy	\$ 512,835	94.00%	\$ 482,065	2030	6.00%	\$ 30,770											
Traffic Signal at GVP and Lakeside Dr	\$ 512,835	99.00%	\$ 507,707	2030	1.00%	\$ 5,128											
Traffic Signal at GVP and Stanford Crossing	\$ 493,502	99.00%	\$ 488,567	2025	1.00%	\$ 4,935											
Traffic Signal at GVP and Faber Street *	\$ 611,536	99.00%	\$ 605,420	2030	1.00%	\$ 6,115											
Traffic Signal GVP and Lathrop Rd/Spartan Way	\$ 198,418	99.00%	\$ 196,434	2025	1.00%	\$ 1,984											
Central Pacific Street and Spartan Way Improvements *	\$ 109,893	99.00%	\$ 108,794	2025	1.00%	\$ 1,099											
Traffic Signal GVP and Locomotive	\$ 661,395	99.00%	\$ 654,781	2030	1.00%	\$ 6,614											
Traffic Signal RIP and Oberlin Avenue	\$ 661,395	99.00%	\$ 654,781	2030	1.00%	\$ 6,614											
Traffic Signal Central Pacific Street and Spartan Way	\$ 661,395	99.00%	\$ 654,781	2030	1.00%	\$ 6,614											

[1] Dates shown were based on the 2019 CFF Update projections.

*Note: Project was completed and accepted. CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Transportation Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee: This fee is collected in order to fund offsite roadway improvements for the Land Park, Central Lathrop Project Area. The projects to be funded are listed in the report titled "City of Lathrop Capital Facility Fees, as amended May 29, 2007."
2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES
If yes, describe the reasonable relationship between the fee and its purpose.
New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.
- If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2380 - CLSP Offsite Roadway Improvements		Funding Anticipated to Complete Financing					
Improvements	Cost of Improvement	Source: Capital Facility Fee			Source: Measure K, Developer Contribution, Other		
		%	Funding	Date Available [1]	%	Funding	Date Available
Roth Road/McKinley Ave	1,743,715	16%	278,994	2030	84%	\$ 1,464,721	2380
Lathrop Road/5th Street	1,546,993	21%	324,868	2025	79%	\$ 1,222,124	
Lathrop Road/Airport Road	2,776,001	17%	471,920	2030	83%	\$ 2,304,081	
Louise Avenue/McKinley Avenue	3,056,246	9%	275,062	2030	91%	\$ 2,781,184	
Louise Avenue/Airport Road	3,423,960	8%	273,917	2030	92%	\$ 3,150,043	
Yosemite Avenue/McKinley Avenue	2,405,509	10%	240,551	2030	90%	\$ 2,164,958	
							Funding Xfrd

[1] Dates shown were based on the 2007 CFF Update projections.

1. Purpose of Fee: This fee is collected in order to fund needed improvements to the Roth Road Interchange and frontage roads. The project to be funded is listed in the report titled "City of Lathrop Capital Facility Fees, as amended January 3, 2011.

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES

If yes, describe the reasonable relationship between the fee and its purpose.

New development creates additional traffic on city streets. In order to provide for adequate capacity in the roadway system, improvements are needed. This fee will pay for those improvements.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 2420 - North Lathrop Transportation									
		Funding Anticipated to Complete Financing							
Improvements	Cost of Improvement	Source: Capital Facility Fee				Source: Measure K, Developer Contribution, Other			
		%	Funding	Date Available [1]	%	Funding	Date Available		
Roth Road / I-5 Interchange Improvements	29,146,149	48%	13,990,152	2030	52%	\$ 15,155,998	2420	Funding Xfrd	\$ 1,220,389

[1] Dates shown were based on the 2011 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Park in Lieu
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee:

This fee is collected in order to fund acquisition of parkland needed to support new residential development. The fee is only charged in the event that adequate parkland is not dedicated by the developer as part if the subdivision in accordance with the Quimby Act. The location of the projects to be funded are generally described in the "comprehensive General Plan and Environmental Impact Report for the City of Lathrop, December, 1991."
2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES

If yes, describe the reasonable relationship between the fee and its purpose.

According to the General Plan, the standard for park development is 2 acres of Neighborhood Parks per 1,000 residents and 3 acres of Community Parks per 1,000 residents. According to State Law, the City can require up to 5 acres of park land to be dedicated per every 1,000 people provided that the City already has that much park land within its planning area. In 1991, when the General Plan was adopted, the City had more that 5 acres per 1,000 people and, with additional parks developed since that time, has maintained that ratio. The dedication (or in-lieu) requirement is still valid.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 3410 - Park in Lieu		Funding Anticipated to Complete Financing				
Improvements	Cost of Improvement	Source: Capital Facility Fee		Source: Measure K, Developer Contribution, Other		
		%	Funding	Date Available [1]	%	Funding
Community and Linear Parks Land	13,217,347	100%	\$ 13,217,347	2030		Xfrd
Generations Center Land	1,915,769	100%	\$ 1,915,769	2030		\$ 4,957,406

[1] Dates shown were based on the 2005 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)
Name of Fund: Water Capital Facility Fee
Report Period: July 1, 2024 to June 30, 2025

1. Purpose of Fee: This fee is collected in order to fund improvements for existing water facilities as well as create new facilities needed in order to accommodate new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facility Fee, as amended September 2, 2003."

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? YES
If yes, describe the reasonable relationship between the fee and its purpose.
The fee is based on the total amount of improvements to the water system including the creation of new water sources needed to serve the anticipated growth of the City. These costs were then transferred into per-gallon-per-day costs and allocated to the different land uses based on the average daily consumption rates. For non-residential uses, individual calculations will be made based on the estimated water usage.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

CFF Fund 5610 - Water Connection Fees		Funding Anticipated to Complete Financing					
Improvements	Cost of Improvement	Source: Capital Facility Fee		Source: Measure K, Developer Contribution, Other		Funding Xfrd	
		%	Funding	Date Available [1]	%	Funding	Date Available
Existing Water System Buy In [2]	\$ 21,260,876	100%	\$ 21,260,876	2030	7%	\$ 1,467,293	
Well Improvements for W/C Lathrop [1]	\$ 50,657,390	100%	\$ 50,657,390	2030			
Water Storage for ML *and LS	\$ 3,487,426	100%	\$ 3,487,426	2030			
Reimbursement for Crossroads area (1.0 MG waster storage tank, well, BPS. Transmission main, water distribution system)	\$ -						
Water Line (Water Loop Improvements) *	\$ 4,960,650	100%	\$ 4,960,650	2021			
Water Storage Facilities	\$ 4,183,108	100%	\$ 4,183,108	2030			
Water Tank 1 *	\$ 5,587,867	100%	\$ 5,587,867	2023			
							\$ 114,100

*Note: Project was completed and accepted. CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections.

Five Year Capital Facilities Fee Fund Report
(Report Made Pursuant to Government Code Section 66000 et. seq.)

Name of Fund: Sewer Capital Facility Fee

Report Period: July 1, 2024 to June 30, 2025

This fee is collected in order to fund improvements for existing sewer facilities as well as create new facilities needed in order to accommodate new development. The projects to be funded are listed in the report titled "City of Lathrop, Capital Facility Fee, as amended September 2, 2003.

1. Purpose of Fee:

2. Are the assumptions utilized in the development of the Capital Facility Fee still valid? **YES**

The fee is based on the total amount of improvements needed to serve the projected level of development divided by the number of gallons of sewage to be treated. The fees are then based on the average number of gallons for single family and multiple family with individual calculations made for each non-residential use based on estimated usage.

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?

If no, what have you done or what are you doing to insure that a reasonable relationship exists between the fee and its purpose?								
CFF Fund 6030 - Sewer Connection Fees		Funding Anticipated to Complete Financing						
Improvements	Cost of Improvement	Source: Capital Facility Fee		Source: Measure K, Developer Contribution, Other				
		%	Funding	Date Available [1]	%	Funding	Date Available	Funding Xfrd
Existing Sewer Collection Syst Buy In [1]	\$ 23,668,874	100%	\$ 23,668,874	2030	38%	\$ 8,930,986		\$ 4,681,153
Recycled Water Outfall W/ C Lathrop [1]	\$ 1,553,082	100%	\$ 1,553,082	2030				
Portion of Pump Station & Force Mains [2]	\$ 6,925,313	100%	\$ 6,925,313	2030				
Sanitary Sewer Mains [2]	\$ 3,721,109	100%	\$ 3,721,109	2030				
Recycled Water Mains [2]	\$ 4,042,649	100%	\$ 4,042,649	2030				
Additional Pump Station Cost [2]	\$ 973,777	100%	\$ 973,777	2030				
Estimated Additional Sewer Work [2]	\$ 4,910,602	100%	\$ 4,910,602	2030				\$ 4,265,856
Sewer/Recycled Water System MV [1]	\$ 5,109,659	100%	\$ 5,109,659	2030	37%	\$ 1,911,136		\$ 916,579
Sewer Systems (Facilities) SLSP Area	\$ 6,160,757	100%	\$ 6,160,757	2030				
Sewer Systems (Facilities) LGBPSP Area	\$ 2,513,471	100%	\$ 2,513,471	2030				
LIT Sewer Reimbursement CFF	\$ 809,472	100%	\$ 809,472	2030				\$ 73,971
Pilot Sewer Reimbursement CFF	\$ 2,107,990	100%	\$ 2,107,990	2030				
DPIF Sewer Reimbursement CFF	\$ 821,059	100%	\$ 821,059	2030				
DPIF Sewer Main CFF	\$ 525,060	100%	\$ 525,060	2030				
CFT NV Sewer Reimbursement CFF	\$ 184,708	100%	\$ 184,708	2030				

*Note: A portion of the Sewer Capital Improvements have been completed. Ten percent (10%) of the Mossdale CFF revenue collected is reimbursed to the developer/builder for the cost of the project.

[1] Dates shown were based on the 2005 CFF Update projections.

[2] Dates shown were based on the 2019 CFF Update projections.

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ITEM: **ACCEPTANCE OF THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2025**

RECOMMENDATION: **Adopt a Resolution to Accept the City of Lathrop Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2025**

SUMMARY:

The City's auditor, Badawi and Associates, CPA, has completed the review of the annual financial statements for the fiscal year ending June 30, 2025. The audited financial statements are incorporated into an Annual Comprehensive Financial Report (ACFR). The auditors have issued an unmodified ("clean") audit opinion. An unmodified opinion indicates that the financial data of the City is fairly presented in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. These standards require that they plan and perform the audits to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

BACKGROUND:

Best financial practices as well as various financing covenants and regulations associated with restricted funding sources require the City to publish a complete set of financial statements each year presented in conformance with Generally Accepted Accounting Principles (GAAP). The Government Code of the State of California requires general law cities, such as the City of Lathrop, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Badawi and Associates, CPA. The firm was contracted to render an opinion of the City's financial statements in accordance with auditing standards generally accepted in the United States of America. To ensure complete independence, Badawi and Associates, CPA presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council.

The Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025, has been prepared by the City and audited by the certified public accounting firm of Badawi and Associates, CPA. The ACFR and audit of the City's financial statements were completed on December 17, 2025, and posted on the City's website at that time. Badawi and Associates, CPA has issued an unmodified ("clean") opinion of the ACFR which states that the financial statements are presented fairly, in all material respects.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ACCEPT THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL
REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2025

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Following completion of the ACFR, it was submitted to the Governmental Finance Officers Association (GFOA) for the Certificate for Excellence in Financial Reporting program. The GFOA is a nationally recognized nonprofit professional association serving more than 20,000 finance professionals in the United States and Canada, and the Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The City of Lathrop has been awarded the prestigious Certificate for Excellence in Financial Reporting for 28 consecutive years. A Certificate of Achievement is valid for a period of one year only.

The City's financial statements provide information about the finances of the City in its entirety, as well as information about individual funds. The ACFR is organized into the three sections summarized below.

- The Introductory section includes this transmittal letter and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
- The Financial section contains the independent auditor's report on the financial statement audit, the MD&A, basic financial statements, required supplementary information, and combined and individual fund presentations and supplementary information.
- The Statistical section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial trends, revenue capacity, debt capacity, demographics and economic and operating information.

REASON FOR RECOMMENDATION:

The auditors have issued an unmodified ("clean") audit opinion. An unmodified opinion indicates that the financial data of the City is fairly presented in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States.

FISCAL IMPACT:

There is no fiscal impact associated with this action. Unmodified audit reports are an indication that City funds are being spent appropriately and as intended by the City Council, grantor agencies, and federal and State laws. They also help maintain the City's favorable ratings for current and future debt issuances.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ACCEPT THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL
REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2025

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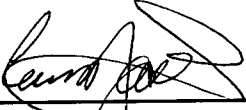
ATTACHMENTS:

- A. Resolution to Accept the City of Lathrop Annual Comprehensive Financial Report (ACFR) for Fiscal Year Ending June 30, 2025.
- B. City of Lathrop Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ending June 30, 2025.

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ACCEPT THE CITY OF LATHROP ANNUAL COMPREHENSIVE FINANCIAL
REPORT (ACFR) FOR THE FISCAL YEAR ENDING JUNE 30, 2025**

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APPROVALS:



Cari James
Director of Finance

1/5/2026


Date



Thomas Hedegard
Deputy City Manager

1/5/2026

Date



Salvador Navarrete
City Attorney

1-5-2026

Date



Stephen J Salvatore
City Manager

1.6.26

Date

RESOLUTION NO. 26 - _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO
ACCEPT THE ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

WHEREAS, the financial statements of the City of Lathrop for the fiscal year ended June 30, 2025, have been prepared by the City's Finance Department; and

WHEREAS, the annual financial statements were examined by the independent public accounting firm of Badawi and Associates, CPA; and

WHEREAS, the City prepared the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025 and the auditor's opinion is included therein; and

WHEREAS, it is the opinion of the auditors that the financial statements present fairly the financial position of the City as of June 30, 2025, and that the statements were prepared in accordance with accounting principles generally accepted in the United States of America; and

WHEREAS, the auditors have issued an unmodified ("clean") audit opinion; and

WHEREAS, the ACFR and audit of the City's financial statements were completed on December 17, 2025, and posted on the City's website; and

WHEREAS, following completion of the ACFR, it was submitted to the Governmental Finance Officers Association (GFOA) for the Certificate for Excellence in Financial Reporting program. The City of Lathrop has been awarded the prestigious Certificate for Excellence in Financial Reporting for 28 consecutive years. A Certificate of Achievement is valid for a period of one year only.

NOW, THEREFORE, BE IT RESOLVED that the City Council does hereby accept the Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2025 that accompanied the City Manager's report for this resolution.

The foregoing resolution was passed and adopted this 12th day of January 2026, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:


ABSTAIN:

Paul Akinjo, Mayor

ATTEST:

APPROVED AS TO FORM:

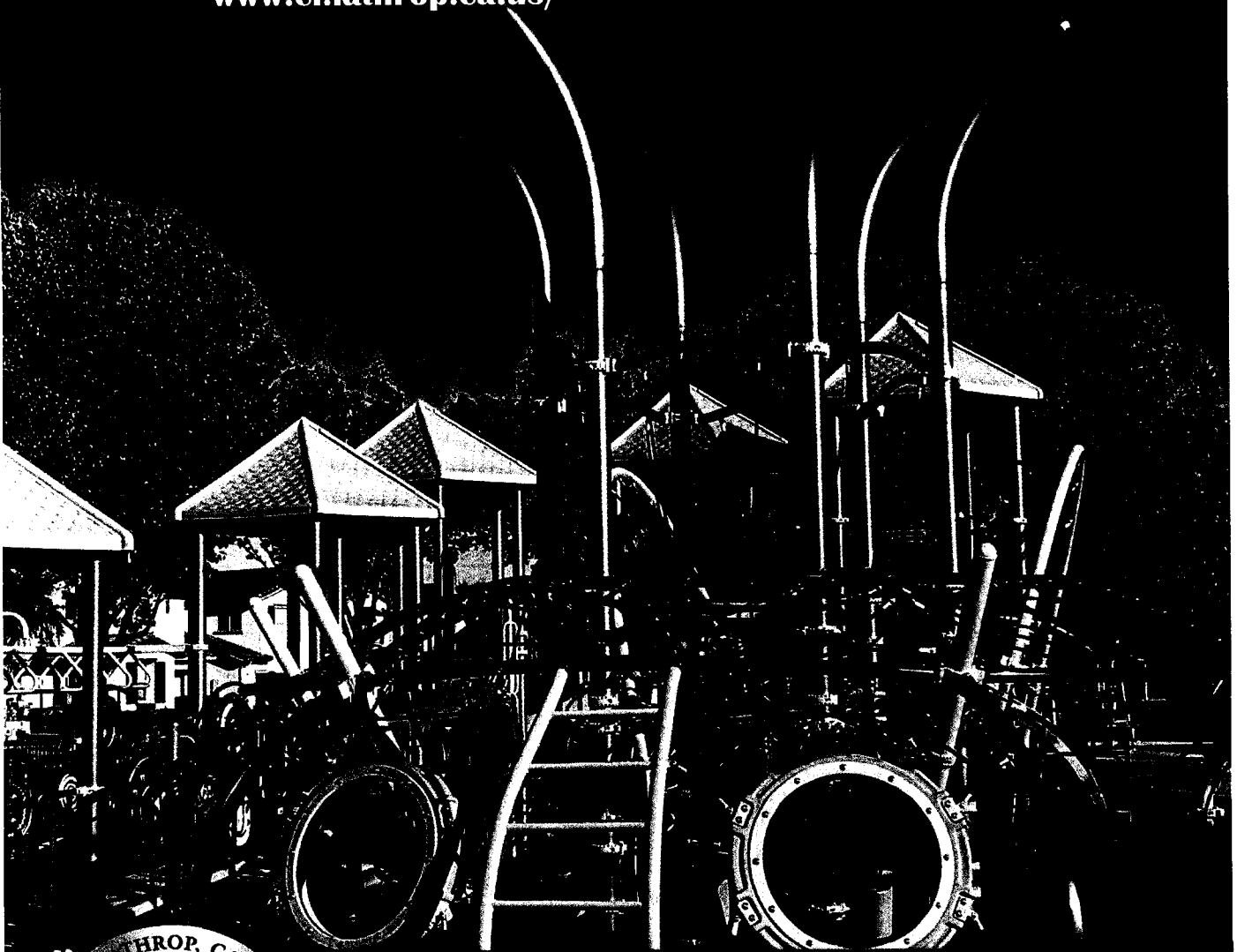
Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

City of Lathrop

390 Towne Centre Drive
Lathrop, CA 95330
www.ci.lathrop.ca.us/



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

CITY OF LATHROP, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by:
Finance Department

Cari James, Director of Finance

City of Lathrop
For the Year Ended June 30, 2025

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For the Year Ended June 30, 2025

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City of Lathrop

Department of Finance
390 Towne Centre Drive
Lathrop, California 95330
209-941-7320
www.ci.lathrop.ca.us

December 17, 2025

***To the Honorable Mayor, Members of the City Council and Citizens of Lathrop
Lathrop, California 95330***

The Annual Comprehensive Financial Report of the City of Lathrop for the fiscal year (FY) ended June 30, 2025 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Lathrop. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds of the City of Lathrop. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This Annual Comprehensive Financial Report includes a summary of funds for the City of Lathrop and reports all activities considered to be a part of, controlled by, and dependent on the City. The accounts of the City are organized on the basis of fund accounting with each fund considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred outflows/ inflows of resources, fund equity, revenues and expenditures, or expenses as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The Annual Comprehensive Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in pronouncements by the National Council of Governmental Accounting (NCGA) and the Governmental Accounting Standards Board (GASB) and includes the report of the City's independent certified public accountants, Badawi and Associates. Based on the audit, the independent auditors concluded that there was reasonable basis for rendering an unmodified opinion which states that the City's financial statements for the fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditors report is presented as the first component of the financial section of this report.

Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement the MD&A, and, therefore, should be read with it. The City's MD&A can be found immediately following the independent auditor's report.

INTERNAL CONTROLS

To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP in the United States of America.

The internal control structure is designed to provide reasonable, but not absolute, assurance these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of control should not exceed the benefits likely to be derived from the control, and (2) the valuation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above stated framework. We believe our internal accounting controls adequately safeguard assets and provide reasonable assurance that financial transactions are properly recorded.

INDEPENDENT AUDIT REPORT

The City Council is responsible for: 1) assuring the City administration fulfills its responsibilities in the preparation of the financial statements and 2) engaging certified public accountants to ensure sound audit and the accounting principles are applied in financial reporting.

The Government Code of the State of California requires general law cities, such as the City of Lathrop, to have its financial statements audited by an independent certified public accountant. Accordingly, this year's audit was completed by the accounting firm of Badawi and Associates. The firm was engaged by the City Administration to render an opinion of the City's financial statements in accordance with auditing standards generally accepted in the United States of America. To ensure complete independence, Badawi and Associates presents the results of their assessment of the adequacy of internal accounting controls and the quality of financial reporting directly to the City Council. The auditor's report on the basic financial statements is the first item in the accompanying Financial Section.

In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of the Federal Single Audit Act, Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements.

REPORT ORGANIZATION:

The report is organized in three sections: introductory, financial, and statistical.

1. The Introductory section includes this transmittal letter and general information on the City's government structure and services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Associations (GFOA) Certificate of Achievement for Excellence in Financial Reporting.
2. The Financial section contains the independent auditor's report on the financial statement audit, the MD&A, basic financial statements, required supplementary information, and combined and individual fund presentations and supplementary information.
3. The Statistical section includes selected financial and demographic information generally presented on a multi-year basis. This information includes financial trends, revenue capacity, debt capacity, demographics and economic and operating information.

PROFILE OF LATHROP

The City of Lathrop encompasses approximately 22 square miles. The City of Lathrop is located in San Joaquin County at the center of the Northern California metro market, close to the San Francisco Bay Area and Greater Sacramento regions, at the interchange of three major freeways: Interstate 5 (I-5), Interstate 205 (I-205), and the Highway 120 Freeway. As of January 1, 2025, the City had an estimated population of 38,596.

The City of Lathrop is a general-law city incorporated under California law July 1, 1989. The City operates under the City Council / Manager form of government. Beginning with the municipal election in November 1996, the position of the Mayor is elected for a two-year term. Four Council Members are elected at-large and serve alternating four-year terms. Every two years in December, the Mayor and Council Members select a Council Member to serve as Vice-Mayor. The City Manager also serves as City Treasurer and the City Clerk is appointed by the City Manager. All municipal elections are non-partisan.

The City of Lathrop provides a wide range of municipal services, including police public safety, water and sewer utilities, street maintenance, community services, parks and recreation, planning, building, code enforcement, and other general government services.

Fire services such as fire suppression and prevention are provided for the City by Lathrop-Manteca Fire Protection District and are funded separately by the Fire District. The Fire District provides specialized equipment and trained personnel 24 hours a day for emergency assistance to all residents. The Fire District and the City work together for the mutual benefit of both agencies and the citizens they serve.

ECONOMIC CONDITION AND FINANCIAL OUTLOOK

Historically, Lathrop has been an agricultural-based community, however, the continuing dynamic outward growth of the San Francisco Bay Area has pushed industrial, warehousing, and logistics growth into the Northern San Joaquin Valley. This has benefited Lathrop due to its strategic location at the intersection of three major freeways. The City continues to experience a period of growth with consistently strong demand in residential construction to accommodate continuing job growth in the Northern San Joaquin Valley and in the neighboring Tri Valley Area of the East Bay. Permit issuance remained strong in FY 2024/25 with building permits continuing to be issued at a rate consistent with an agency that is one of the fastest growing in the State. Revenues, such as property tax, development related fees, community facility district revenues and sales tax are all positively impacted from increased development activity either directly from fees received or indirectly due to increased population.

The City has recently begun to enjoy a strong economic base from years of smart growth and planning initiatives resulting in stable property tax revenue, modest transient occupancy taxes and diverse sales tax revenues. The City's sales tax revenues remain stable and, over the past several years, have continued to experience annual increases. The City's sales tax revenues are expected to show modest annual increases as population and consumer activity continue to rise and businesses continue to view Lathrop as an attractive location.

Like all government agencies throughout California, the City is faced with increased ongoing annual operating costs and rising retirement related liabilities. For Lathrop, some of these challenges include increased funding needs for pavement maintenance, facility and park maintenance, new programs and departments, additional personnel, retiree health care costs, and rising pension costs due to new funding policies adopted by the California Public Employees Retirement System (CalPERS). While the City has been successful over the years in balancing these issues with its strategic use of contract staffing and services, the City will continue to experience rising costs. Additionally, with the anticipation of significant impacts to revenues in the coming year, coupled with ongoing growth in expenditures over the next five years, the City will be challenged.

Sales tax growth in Lathrop was moored to commercial development throughout 2025 and is expected to stabilize throughout 2026. Sales tax is the General Fund's largest source of revenue and has largely recovered to pre-pandemic levels, however, the state of the economy from high inflation, supply chain challenges and ongoing world events remains concerning as we head into FY 2026. The City is currently navigating an unprecedented inflation situation that has not been encountered in recent history. The ability to budget conservatively has paid dividends with the uncertainty that has come with recent economic events. This creates challenges but we remain vigilantly optimistic about Lathrop's long-term outlook.

City Council and Staff are dedicated to the Community and our commitment to prudently manage the City's finances. This commitment has contributed to our ability to endure challenging times. The financial impacts of the pandemic have largely subsided compared to the prior fiscal year.

BALANCED BUDGET

The City's Budget and Fiscal Policy requires the City to maintain a balanced General Fund budget over the annual period of the financial plan. This means that each fiscal year, current revenues must meet or exceed operating expenditures, including debt service. Use of fund balance commitments to offset non-operating expenditures may allow for current expenditures to exceed current revenues in the fiscal year. City staff presents General Fund budgets for City Council consideration that maintain an unassigned fund balance between 10-50% of the annual operating appropriations and transfers. Lathrop maintains adequate fund balances for emergencies in a majority of its governmental operations funds and proprietary funds.

The adopted budget serves as the foundation for the City of Lathrop's financial planning and control system. All departments of the City submit requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The Council holds public hearings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, department, program, and line-item.

The Council periodically reviews the City's actual financial activity in relation to the original budget, and as necessary, adjustments are made to ensure that expenditures are not outpacing anticipated revenues. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is at the fund and department level with more stringent control over capital assets and fund balance categories, which are maintained at the line item level. The City Council must approve amendments or transfers of appropriations between funds or departments as well as items related to capital assets or fund balances. The City Council has delegated authority to the City Manager to approve transfers of appropriations between programs and divisions

within a City department and between appropriation units (e.g., salaries and benefits, services and supplies, and capital outlay) within programs, excluding special designation or project appropriations.

LONG-TERM FINANCIAL PLANNING

The City incorporates long-term financial planning into its budget process in several ways. During the biennial budget process the City Council receives an updated General Fund Ten-Year Forecast and CIP Five-Year Forecast that includes all special revenue funds associated with each project. The long-term financial model used for the General Fund and CIP looks forward ten years, because of the volatile nature of tax revenues in a commercial growth-based economy, and various one-time special revenue funds associated with development activity making it difficult to predict revenues with any certainty beyond the immediate term. The forecast is used as a tool and maintained by Finance staff.

These projections allow management to see what the future could look like given a set of assumptions and is evaluated in the context of whether decisions are sustainable over the long term. The ten-year financial forecast is a tool for strategic decision making and presents further context for balancing short-term and long-term goals and provides an "order of magnitude" feel for the General Fund's ability to continue services and preserve fiscal sustainability. Management encourages its departments to project their resource needs for a period longer than the traditional biennial budget period. In addition, the City faces increasing expenses in several areas of operations, including the creation of the Police Department. The City has elected to proactively address its unfunded OPEB obligation by establishing an irrevocable trust and significantly increasing its contributions. At the same time, rising pension contribution requirements, while helping to reduce the unfunded pension liability, result in a decrease of financial resources available for other uses. The City will need to continue to explore options to increase its revenue base, while keeping expenses manageable.

Moving forward, staff is cautiously optimistic. It was originally anticipated that the economy would start to see a slowdown in 2025, due to a multitude of factors, including inflation, but as the City moves into FY 2025-26, inflation seems to have cooled, and the Federal Reserve Bank has begun to reduce interest rates. Staff and the City's consultants will continue monitoring any signs of an economic slowdown, carefully following discussions on inflation, interest rates, and the uncertainty of the economy's reaction to world affairs. Vulnerable to an economic downturn are sales tax, TOT and development-related revenues. Economic development continues to thrive as new businesses are motivated to locate in Lathrop due to its location, amenities, economic vibrancy, and high quality of life for residents.

Lastly, on November 6, 2012, the Citizens of Lathrop approved Measure C by 77%. Measure C is a general purpose 1% additional sales tax Measure to be used for the purpose of maintaining and enhancing essential City services, such as police and fire protection and youth and senior services within the City. Measure C supports personnel and operating expenditures to manage the Lathrop Generations Center, a multipurpose facility aimed to promote healthy recreational opportunities for our youth. Furthermore, Measure C partially funded the startup of Lathrop's own Police Department, as well as additional Lathrop Police personnel to strengthen prevention and intervention services around the community.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) has awarded the Certificate of Achievement for Excellence in Financial Reporting to City of Lathrop for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. The ACFR has been judged by an impartial panel to meet the uppermost standards of the program, which includes demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the ACFR. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. This was the 28th consecutive year that the City of Lathrop has received this prestigious award.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of the Annual Comprehensive Financial Report was made possible by the special efforts of the entire staff of the Finance Department, working in conjunction with the City's independent auditors and departmental staff. We would like to express our appreciation to the Mayor and City Councilmembers for their continued efforts in stewarding the financial operations of the City in a responsible and enterprising manner.

Respectfully submitted,



Stephen J. Salvatore
City Manager



Cari James
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lathrop
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

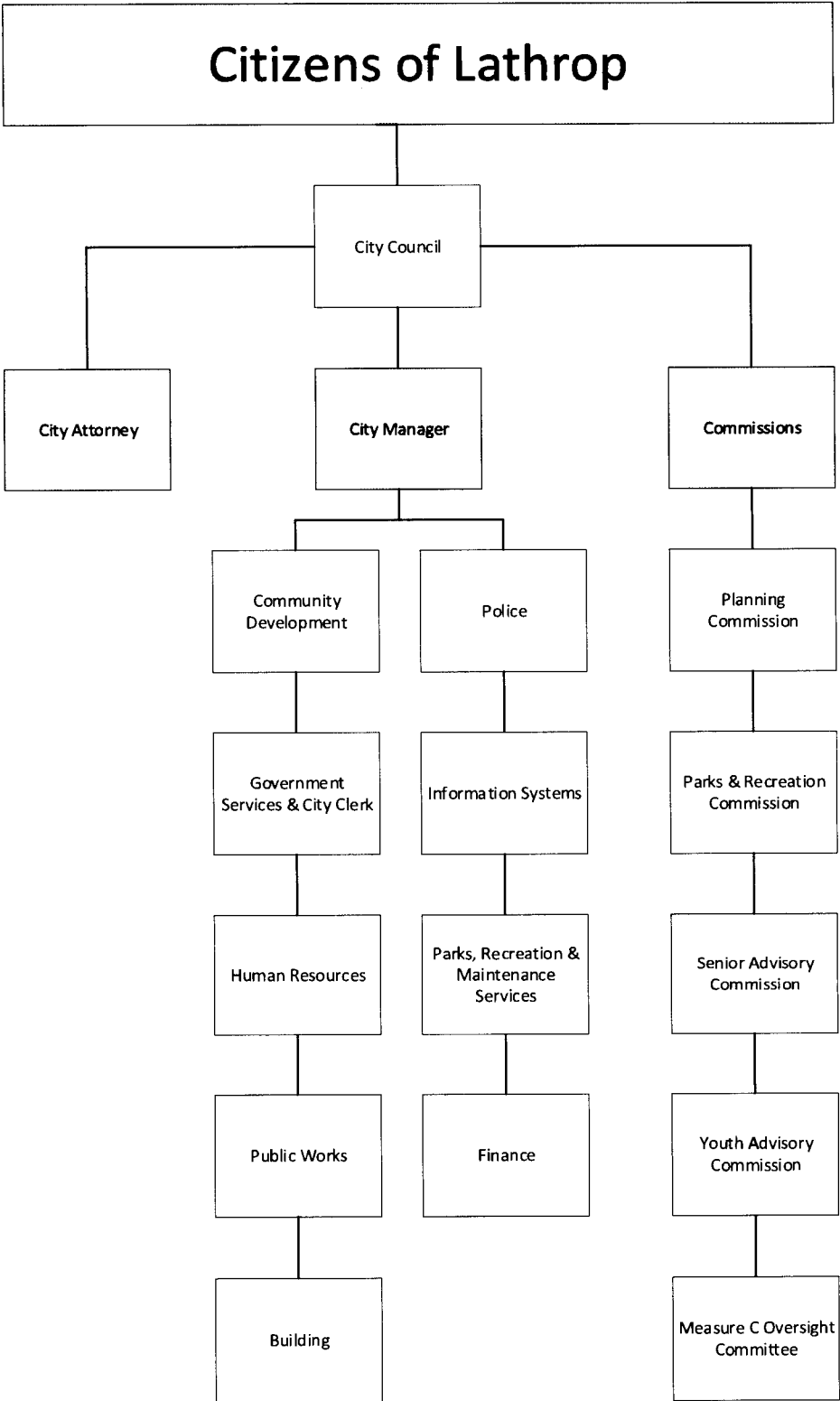
June 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF LATHROP ORGANIZATIONAL CHART

Fiscal Year 2024/25



DIRECTORY OF OFFICIALS AND ADVISORY BODIES

CITY COUNCIL

Paul Akinjo, Mayor
Jennifer Torres-O'Callaghan, Vice Mayor
Minnie Diallo, Council Member
Stephen Dresser, Council Member
Diane Lazard, Council Member

ADVISORY BODIES

Lathrop/Manteca Fire District
Measure C Oversight Committee
Parks and Recreation Commission
Planning Commission
Senior Advisory Commission
Youth Advisory Commission

APPOINTED OFFICIALS AND DEPARTMENT HEADS

City Manager/ Treasurer
City Attorney
Assistant City Manager
Deputy City Manager
Director of Government Services/ City Clerk
City Engineer
Director of Information Systems
Director of Finance
Director of Human Resources
Director of Community Development
Director of Parks and Recreation
Chief of Police
Chief Building Official

Stephen J. Salvatore
Salvador Navarrete
Michael King
Thomas Hedegard
Teresa Vargas
Brad Taylor
Tony Fernandes
Cari James
Juliana Burns
Rick Caguiat
Todd Sebastian
Stephen Sealy
Ed Short

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Lathrop
Lathrop, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lathrop (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and OPEB schedules on pages 5-19 and 90-102 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the

information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining General Fund schedules and budgetary comparison schedules, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the major capital projects funds and nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The General Fund schedules and budgetary comparison schedules, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the major capital projects funds and nonmajor governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund schedules and budgetary comparison schedules, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the major capital projects funds and nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

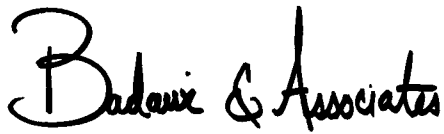
Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the information included in the annual comprehensive financial report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial

To the Honorable Mayor and Members of the City Council
of the City of Lathrop
Lathrop, California
Page 4

reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Emeryville, California
December 17, 2025



City of Lathrop

Department of Finance
390 Towne Centre Drive
Lathrop, California 95330
209-941-7320
www.ci.lathrop.ca.us

December 17, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis ("MD&A") provides an overview of the City of Lathrop's ("City") activities and financial performance for the year ended June 30, 2025. Readers are encouraged to read the MD&A in conjunction with the basic financial statements that immediately follow, along with the letter of transmittal at the beginning of the Introductory Section and other portions of the Annual Comprehensive Financial Report ("ACFR").

FINANCIAL HIGHLIGHTS

- The government-wide statement of net position for the City's governmental and business-type activities indicates that as of June 30, 2025, total assets and deferred outflows of resources exceed total liabilities and deferred inflows of resources by \$1.0 billion. Of this amount, governmental activities accounts for \$654.3 million and business-type activities accounts for \$347.0 million. In addition, the City's restricted net position totals \$190.0 million (\$188.5 million for governmental activities and \$1.5 million for business-type activities) based on restrictions imposed by the enabling legislations or debt covenants. Lastly, net position of \$660.8 million is the City's net investment in capital assets, which includes \$396.5 million from governmental activities and \$264.3 million from business type activities.
- The net position increased by \$111.0 million or 12.5 percent during FY 2025 to \$1.0 billion from \$890.2 million. Governmental activities accounted for \$70.1 million of the increase and business-type activities accounted for \$40.9 million of the increase. The largest contributing factor of both increases is due to the acceptance of completed development infrastructure.
- The overall assessed property values in the City increased \$900.0 million or 11.5 percent, from \$7.8 billion in FY 2024 to \$8.7 billion in FY 2025. As a result, the City's property tax revenue grew by \$1.5 million in FY 2025, driven by the 2% increase on all classes of property, as well as the increase in property values, driven by the local real estate market.
- Governmental funds reported a combined ending fund balance of \$259.8 million at June 30, 2025, which is \$30.5 million or 13.3 percent higher than the June 30, 2024 balance. The change is attributable to increases in the Capital Facility Fees Fund of \$18.6 million, attributed to an increase in development activity, and the Streets and Roads Capital projects fund of \$10.3 million attributed to an increases in streets and roads projects.
- Unassigned fund balance of governmental funds is \$22.6 million, which is 36.9 percent of the combined governmental fund balances as of June 30, 2025.

- Total long-term liabilities decreased by \$2.6 million to \$25.1 million, which represents a decrease of 9.4 percent compared to \$27.7 million at June 30, 2024. The primary factors leading to the decrease in long-term liabilities for governmental activities of \$0.9 million was primarily due to decreases in long term debt and leases payable as a result of annual debt service payments. The primary factor leading to the decrease in long-term liabilities for business-type activities of \$1.7 million is a result of a decrease in long term debt for annual debt service payments made in the fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis introduce the City's basic financial statements, which are comprised of four components:

- Government-wide Financial Statements
- Fund Financial Statements
- Notes to Basic Financial Statements

In addition, this report contains required and other supplementary information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide Financial Statements provide readers with a broad overview of the City's finances that include two different views of the City's financial position. The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.

The **statement of net position** presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between total assets and deferred outflows of resources and total liabilities and deferred inflows of resources is the City's net position. Over time increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or deteriorating.

The **statement of activities** presents information showing how the net positions changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. Examples include revenues pertaining to uncollected taxes and expenses pertaining to earned but unused vacation and other leaves.

Both government-wide financial statements address functions principally supported by taxes and intergovernmental revenues ("governmental activities") and other functions that intend to recover all or in part a portion of their costs through user fees and charges ("business-type activities"). The governmental activities of the City include general government, public safety, capital facilities, building safety and inspection, general capital projects and street capital projects. The City's business-type activities include water system and wastewater system.

FUND FINANCIAL STATEMENTS

Fund financial statements report information about groupings of related accounts used to maintain control over resources segregated for specific activities or objectives. As do other state and local governments, the City uses fund accounting to ensure and demonstrate finance-related legal compliance. Each City fund falls into one of three categories: governmental funds, proprietary funds, or fiduciary funds.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's capacity to finance its programs in the near future.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

The governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances present information separately for the General Fund, Developer Projects Fund, Capital Facilities Fee Fund, Streets and Roads Capital Projects Fund, General CIP Projects Fund, and the Park in Lieu Capital Projects Fund, which are all classified as major funds. These statements also report several individual governmental funds classified as nonmajor funds such as special revenue funds and capital project funds, which are aggregated into a single presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this ACFR.

Proprietary funds generally account for services charged to external or internal customers through fees. Proprietary funds provide the same type of information as shown in the government-wide financial statements for business-type activities, only in more detail. The City accounts for its water system and wastewater system in proprietary funds.

Fiduciary funds account for resources held for the benefit of parties outside of the governments in a similar manner as that of proprietary funds. The government-wide financial statements do not include fiduciary funds as their resources are not available to support City programs.

The financial statements also include notes that explain the information in the financial statements and provide more detailed data. In addition to the required elements, combining statements are presented that provide details about the City's non-major governmental funds and agency funds, each of which are presented in consolidated columns in the basic financial statements.

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide fund financial statements.

Required Supplementary Information includes the budgetary schedules for the General Fund, Developer Projects Fund, and Capital Facility Fees Fund. In addition, pension and other postemployment healthcare schedules present the City's progress toward funding its obligations to provide future pension and other postemployment healthcare benefits for its active and retired employees.

Combining and individual fund statements and schedules provide information for nonmajor governmental funds, internal service funds, and fiduciary funds and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, net position may serve as a useful indicator of a government's financial position. As of June 30, 2025, the City's total assets and deferred out flows of resources exceed total liabilities and deferred inflows of resources by \$1.0 billion. The following table is a condensed summary of the City's net position for governmental and business type activities:

City of Lathrop Summary of Net Position
For the Fiscal Years Ended June 30, 2024 and 2025
(in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Percent Change
	2024	2025	2024	2025	2024	2025	
Assets:							
Capital assets	\$ 359,764	\$ 398,874	\$ 239,161	\$ 276,231	\$ 598,925	\$ 675,105	12.72%
Other assets	250,183	281,246	89,363	100,722	339,546	381,968	12.49%
Total Assets	609,947	680,120	328,524	376,953	938,471	1,057,073	12.64%
Deferred Outflows							
Pension	5,086	4,838	749	762	5,835	5,600	-4.03%
OPEB	1,062	1,699	168	268	1,230	1,967	59.92%
Total Deferred Outflows	6,148	6,537	917	1,030	7,065	7,567	7.11%
Liabilities:							
Current liabilities	16,651	18,569	10,178	19,303	26,829	37,872	41.16%
Long-term liabilities	5,123	3,875	11,971	10,211	17,094	14,086	-17.60%
Net Pension liability	7,918	7,850	1,143	1,132	9,061	8,982	-0.87%
Net OPEB liability	1,315	1,769	207	279	1,522	2,048	34.56%
Total Liabilities	31,007	32,063	23,499	30,925	54,506	62,988	15.56%
Deferred Inflows							
Pensions	187	72	29	11	216	83	-61.57%
OPEB	328	246	52	39	380	285	-25.00%
Total Deferred Inflows	515	318	81	50	596	368	-38.26%
Net Position:							
Net Investment							
in Capital Assets	356,772	396,481	225,626	264,359	582,398	660,840	13.47%
Restricted	142,915	188,520	1,431	1,486	144,346	190,006	31.63%
Unrestricted	84,886	69,275	78,802	81,161	163,688	150,436	-8.10%
Total Net Position	\$ 584,573	\$ 654,276	\$ 305,859	\$ 347,006	\$ 890,432	\$1,001,282	12.45%

At June 30, 2025, the City reported positive balances in net position on a total basis. Net investment in capital assets (infrastructure, land, buildings, other improvements, vehicles, equipment, lease assets and SBITA less outstanding debt used to acquire assets and deferred inflows and outflows related to debt) of \$660.8 million comprises 66.0 percent of the City's total net position. These capital assets facilitate providing services to the Lathrop community, but are not liquid, and therefore are not available for future spending. During FY 2025 net investment in capital assets increased \$78.4 million primarily due to an increase of \$39.7 million in governmental activities and an increase of \$38.8 million in business-type activities, due to an increase in infrastructure acceptance from

development. A portion of the City's net position, \$190.0 million or 19.0 percent, is subject to legal restriction of their use, including \$188.5 million in governmental activities and \$1.5 million in business-type activities. Of the total net position at June 30, 2025, a balance of \$150.4 million or 15.0 percent represents unrestricted net position, which comprises a balance of \$69.2 million for governmental activities and a balance of \$81.2 million for business-type activities.

During FY 2025, the City's total net position increased by \$111.0 million. Notable changes in the statement of net position between June 30, 2025, and June 30, 2024 include:

Assets

- Capital assets increased by \$76.2 million compared to the prior fiscal year. Governmental capital assets increased by \$39.2 million and business-type capital assets increased by \$37.0 million. The increase is result of the addition of major infrastructure in both Governmental and Business-type funds. Governmental capital assets recorded additions of \$39.1 million, which included \$11.6 million in capital projects, \$2.1 million in property acquisitions, \$3.8 million in vehicles and equipment, \$4.2 million in improvements other than building, and \$35.2 million in donated developer infrastructure, offset by \$16.2 million of depreciation and the sale of land in the amount of \$1.5 million. Business-type capital assets recorded additions of \$37.0 million, which included \$3.3 million in water system improvements, \$1.0 million in water capital projects, \$8.9 million in sewer system improvements, \$30.4 million in sewer capital projects and \$0.2 million in vehicles and equipment, offset by depreciation of \$6.5 million and asset retirements of \$0.3 million.
- Current and other assets increased by \$42.4 million or 12.5 percent due to an increase of \$31.1 million in governmental activities and an increase of \$11.3 million in business-type activities. The increase in governmental activities is mainly due to an increase in cash and investments held with fiscal agents from higher sales and property tax revenues. The increase in current assets for business-type activities is mainly due to higher cash and investments resulting from more revenue received through charges for services.

Liabilities

- Total long-term liabilities decreased by \$3.0 million to \$14.1 million at June 30, 2025, which represents an decrease of 17.5 percent compared to \$17.1 million at June 30, 2024. The primary factors leading to the decrease in long-term liabilities is due to decreases in compensated absences of \$0.7 million, and long term debt and loans payable and leases payable of \$2.3 million due to annual debt service payments.
- Current and other liabilities increased \$11.1 million or 41.4 percent due to increases of \$2.0 million in governmental activities, and \$9.1 million in business-type activities. Governmental activities recorded increases of \$1.5 million in compensated absences as a result of the implementation of GASB Statement 101. The primary factor leading to an increase in business-type activities is an increase of \$9.3 million in accounts payable attributed to accrued payables for the phase 3 wastewater treatment plant expansion.

Deferred Outflows/Inflows

- Deferred outflows of resources increased \$0.5 million to \$7.6 million at June 30, 2025, which represents an increase of 7.0 percent compared to \$7.1 million at June 30, 2024. The primary factor leading to the increase in deferred outflows is an increase of \$0.7 million in OPEB offset

by a decrease of \$0.2 million pension outflows. The increases are a direct result of adding additional employees and increases in salaries.

- Deferred inflows decreased by \$0.2 million to \$0.4 million at June 30, 2025, which represents a decrease of 33.3 percent compared to \$0.6 million at June 30, 2024. The decrease of deferred inflows was primarily due to the decrease in deferred inflows related to staffing changes.

Net Position

- Unrestricted net position for governmental activities decreased by \$15.5 million or 18.3 percent with an ending balance of \$69.3 million at June 30, 2025. For business-type activities, unrestricted net position increased by \$2.4 million or 3.0 percent with a balance of \$81.2 million at June 30, 2025. The following pages will provide additional discussion and analysis of the changes in net position.

Analysis of Activities

The following table indicates the changes in net position for governmental and business-type activities:

City of Lathrop Changes in Net Position
For the Fiscal Years Ended June 30, 2024 and 2025
(in Thousands)

	Governmental		Business-Type		Total Primary		Total Percent Change
	Activities		Activities		Government		
	2024	2025	2024	2025	2024	2025	
Revenues:							
<i>Program revenues:</i>							
Charges for services	\$ 20,165	\$ 22,059	\$ 22,649	\$ 25,018	\$ 42,814	\$ 47,077	9.96%
Operating grants and contributions	5,756	3,703	-		5,756	\$ 3,703	-35.67%
Capital grants and contributions	58,107	83,805	24,530	14,316	82,637	\$ 98,121	18.74%
<i>General revenues:</i>							
Sales and use taxes	21,039	19,809	-		21,039	\$ 19,809	-5.85%
Property taxes	12,178	13,217	-		12,178	\$ 13,217	8.53%
Franchise taxes	2,773	2,979	-		2,773	\$ 2,979	7.43%
Transient occupancy taxes	1,097	1,046	-		1,097	\$ 1,046	-4.65%
Other taxes	2,656	2,865	-		2,656	\$ 2,865	7.87%
Other miscellaneous	1,026	537	620	1,501	1,646	\$ 2,038	23.82%
Unrestricted investment earnings	10,282	12,948	3,603	4,269	13,885	\$ 17,217	24.00%
Total Revenues	135,079	162,968	51,402	45,104	186,481	208,072	11.58%
Expenses:							
<i>Governmental activities:</i>							
General government	11,905	14,094	-	-	11,905	14,094	18.39%
Community development	1,240	1,071	-	-	1,240	1,071	-13.63%
Public safety	19,911	23,027	-	-	19,911	23,027	15.65%
Public works	25,161	28,341	-	-	25,161	28,341	12.64%
Culture and leisure	4,895	5,921	-	-	4,895	5,921	20.96%
Interest on long-term debt	218	209	-	-	218	209	-4.13%
<i>Business-type activities:</i>							
Water enterprise	-		8,809	9,534	8,809	9,534	8.23%
Sewer enterprise	-		11,907	14,838	11,907	14,838	24.62%
Total expenses	63,330	72,663	20,716	24,372	84,046	97,035	15.45%
Excess before transfers	71,749	90,305	30,686	20,732	102,435	111,037	8.40%
Transfers	1,808	(20,154)	(1,808)	20,154	-	-	0.00%
Change in Net Position	73,557	70,151	28,878	40,886	102,435	111,037	8.40%
Net Position - Beginning	505,301	584,573	280,120	305,859	785,421	890,432	13.37%
Restatements	5,714	(446)	(3,139)	258	2,575	(188)	0.00%
Net Position, Beginning, Restated	511,015	584,127	276,981	306,117	787,996	890,244	12.98%
Net Position - Ending	\$ 584,573	\$ 654,279	\$ 305,859	\$ 347,003	\$ 890,431	\$ 1,001,281	12.45%

Governmental Activities

The change in net position for governmental activities decreased by \$3.4 million during FY 2025 from \$73.6 million to \$70.2 million. Total expenses increased \$9.4 million and total revenues increased \$27.9 million. The major factors contribution to the increase in net position in FY 2025 compared to FY 2024 are as follows:

Revenues

- Fees, fines and charges for service increased by \$1.9 million or 9.4 percent, mainly due to developer paid plan check and inspection fees collected as a result of development.
- Operating grants and contributions decreased by \$2.1 million or 36.2 percent mainly due to a one-time transit funding received in previous fiscal year.
- Capital grants and contributions increased by \$25.7 million or 44.2 percent mainly due to the decrease in donation of infrastructure from developers.

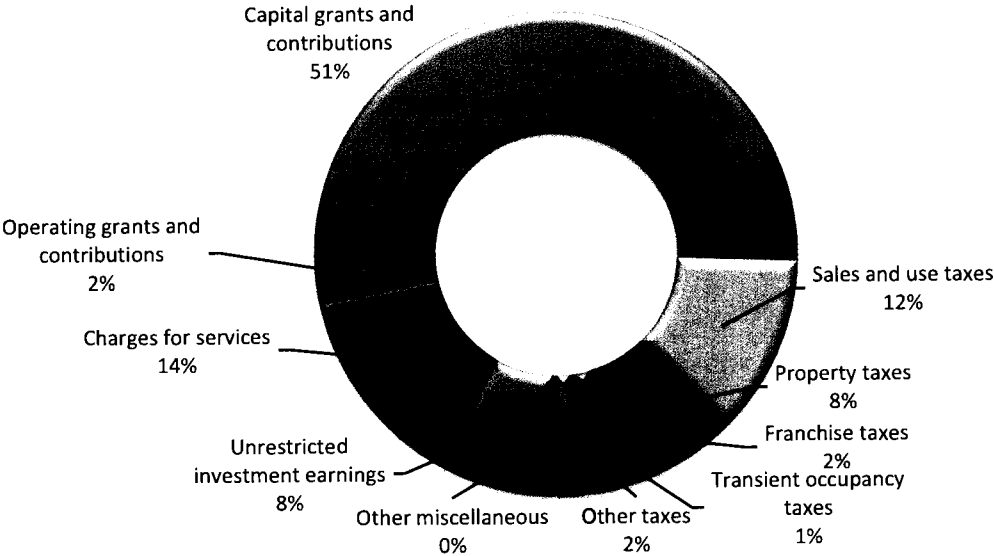
- General revenue increased \$2.3 million or 4.5 percent. The increase is primary due to increases of \$1 million in property tax revenue, which grew as a result of the 2% rate increase on all classes of property, as well as an increase in taxable property values, driven by the local real estate market and an increase of \$2.6 million in investment earnings as a result of higher investment returns in Fiscal Year 2025.

Expenses

- General government expenses increased \$2.2 million or 18.5 percent during FY 2025. This increase is due to annual cost of living adjustments for all employees, and increased expenses in cyber security, general liability and property insurance, and information technology equipment.
- Public safety expenses increased \$3.1 million or 15.6 percent primarily due to expenses for establishing the animal center and hiring staff, adding an additional 5 patrol officers including salary, benefits and equipment, and an increase in overtime due to reduced staffing.
- Public Works expenses increased \$3.1 million, primarily due to the reallocation of staff from culture and leisure to the public works department.
- Net transfers reduced net position by \$22.0 million in FY 2025, primarily due to increased transfers out in the developer project fund for the expansion of the consolidated wastewater treatment facility.

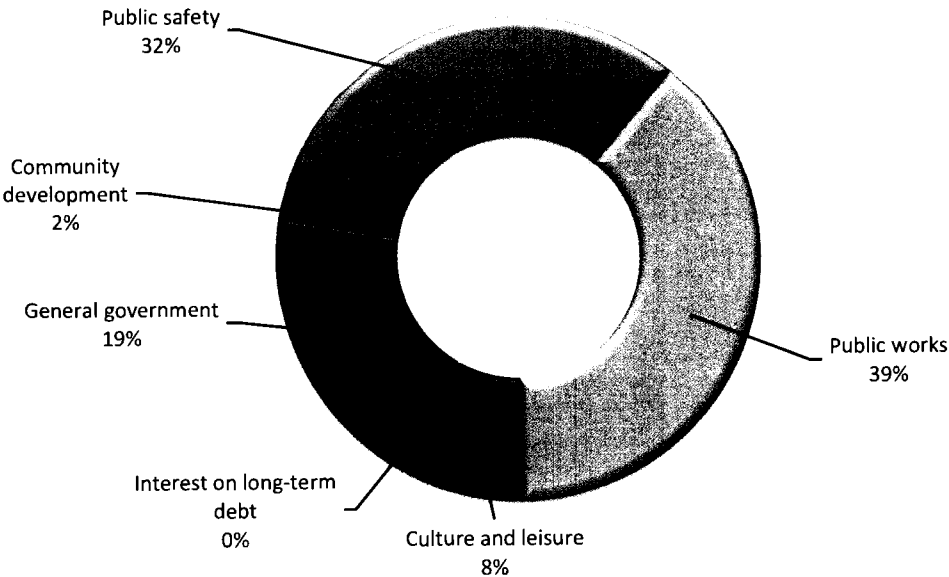
The chart below shows the primary components of governmental activities revenue sources for FY 2025. Of the \$163.0 million in total revenues (not including transfers) generated by governmental activities, 77 percent is attributable to three categories: capital grants and contributions (51 percent), charges for service (14 percent) and sales and use tax (12 percent).

**GOVERNMENTAL ACTIVITIES
FY 2025 Revenues by Source**



The chart below shows the major categories of the FY 2025 expenses for governmental activities. Of the \$72.7 million in total expenses incurred by governmental activities, 90.0 percent is attributable to three categories: public works (39 percent), public safety (32 percent) and general government (19 percent).

**GOVERNMENTAL ACTIVITIES
FY 2025 Expense by Source**



Business-type Activities

The change in net position for business-type activities increased by \$12.0 million or 41.5 percent to \$40.9 million in FY 2025.

The notable components of the changes in net position for business-type activities in FY 2025 are:

Water

Water net position increased by \$9.2 million or 8.3 percent from \$111.5 million to \$120.8 million. The increase is primarily due to capital infrastructure contributions of \$1.6 million from development, operating revenues of \$13.6 million, attributed to the City's continued growing customer base and \$3.2 million in non-operating revenues from increased investment earnings, offset by operating expenses of \$9.2 million, which includes operating and maintenance and depreciation expense for the City's water system. The largest portion of net position, \$73.0 million or 60.4 percent, is net investment in capital assets (e.g. land, buildings, and infrastructure). Approximately \$46.3 million or 38.3 percent of the total net position, constitutes unrestricted net position, which may be used to finance day-to-day operations without constraints.

Operating revenues increased by \$2.1 million primarily due to an increase in the customer base due to new construction. Operating expenses of \$9.2 million increased by \$0.7 million or 8.2 percent largely due to an increase in operation and maintenance costs to support the water system.

Sewer

Sewer net position increased by \$31.6 million or 16.2 percent from \$194.6 million to \$226.2 million. The increase is primarily attributed to capital infrastructure contributions of \$8.9 million and transfers in of \$23.6 million from development to fund the expansion of the City's Consolidated Wastewater Treatment Plant. The largest portion of net position, \$191.4 million or 84.6 percent, is net investment in capital assets (e.g. land, buildings, and infrastructure). Approximately \$34.8 million or 15.4 percent of the total net position, constitutes unrestricted net position, which may be used to finance day-to-day operations without constraints.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses **fund accounting** to ensure and demonstrate compliance with finance-related legal requirements.

As of June 30, 2025, the City's governmental funds reported combined fund balances of \$259.8 million compared to \$229.3 million in FY 2024. The governmental fund balances are categorized as nonspendable, restricted, committed, assigned, or unassigned.

- \$8.3 million consists of nonspendable fund balance related to advances and deposits long-term in nature that are not intended to convert into cash and do not represent currently available resources.
- \$188.5 million is reported as restricted fund balance that includes restrictions imposed by external parties or enabling legislation. This amount includes unspent grant revenues and restricted tax revenues.

- \$40.4 million is reported as committed fund balance that has been limited by formal Council action for a specific purpose.
- \$22.6 million is reported as unassigned fund balance that represents the residual classification for the City's General Fund and includes all spendable amounts not contained in other classifications.

General Fund

The General Fund is the chief operating fund of the City. At June 30, 2025 the General Fund unassigned fund balance is \$22.6 million or 36.8 percent of the \$61.3 million total General Fund balance. Comparing unassigned fund balance and total fund balance to total fund expenditures may be useful as a measure of the General Fund's capacity to meet future obligations. At June 30, 2025 unassigned fund balance represented 57.7 percent of total General Fund expenditures of \$39.2 million, while total fund balance represents 196.4 percent of total General Fund expenditures. At June 30, 2024, the same measures were 48.0 percent and 194.4 percent, respectively.

The General Fund ending fund balance decreased by \$0.7 million from \$62.0 million to \$61.3 million at June 30, 2025.

In FY 2025, the General Fund revenues stayed flat at \$42.6 million. While the City did see growth of \$1.0 million in property tax revenue, the growth was offset by a decrease of \$1.2 million in sales tax revenue.

FY 2025 General Fund expenditures of \$39.2 million were \$5.3 million or 15.6 percent higher than FY 2024 expenditures of \$33.9 million. The increase was primarily due to an increase of \$2.6 million in general government due to annual cost of living adjustments for all employees, and increased expenses in cyber security, general liability and property insurance, and information technology equipment, and \$2.2 million in public safety, which was a direct result of creating the animal center and hiring staff, adding an additional 5 patrol officers including salary, benefits and equipment, and an increase in overtime due to reduced staffing.

Developer Projects

The Developer Project Fund accounts for funds collected from developers to build city project, including parks, water and wastewater infrastructure. At June 30, 2025, the fund has an ending fund balance of \$1.1 million, which is \$0.5 million or 83.3 percent higher than FY 2025. In FY 2025, the City collected money from developers to complete phase 3 of the City's Consolidated Wastewater Treatment Plant Expansion.

Capital Facility Fees Fund

The Capital Facilities Fees Fund accounts for fees collected for traffic mitigation (including regional traffic), storm drain, culture and leisure, city services and administration. At June 30, 2025, the fund has an ending fund balance of \$67.1 million, which is \$18.6 million or 38.4 percent higher than FY 2024. The monies in this fund are collected from builders and developers at building permit to construct City infrastructure.

Streets and Roads Capital Project Fund

The Streets and Roads Capital Projects Fund accounts for capital project expenditures related to streets and roads occurring over more than one fiscal year. As of June 30, 2025, the fund balance of the Streets and Roads fund is \$32.2 million, which \$10.4 million or 47.7 percent higher than FY 2024. Revenue is transferred into this fund from capital facility funds, the general fund, grants, and sometime developers to maintain, repair or build new streets throughout the City.

General CIP Projects Fund

The General CIP Projects Fund accounts for capital projects funded by the General Fund occurring over more than one fiscal year. The fund balance of the General CIP project fund on June 30, 2025 is \$18.1 million, which is \$1.5 million or 7.6 percent lower than FY 2024. The City fund many projects in FY 2025, including the Historic Lathrop Beautification Project and Corporation Yard Improvements that were expensed from this fund.

Park in Lieu Fund

The Park in Lieu fund collects revenue from development in lieu of the development dedicating land and/or constructing the park infrastructure required by the new development. The fund balance of the Park in Lieu Fund on June 30, 2025 is \$0.6 million, which is \$2.5 million or 416.7 percent less than FY 2024. In FY 2025, the City reimbursed a master developer for funds received from merchant builders in prior fiscal years, for park improvements constructed by the master developer.

Proprietary Funds

The City's proprietary funds provide similar information to that which is found in the government-wide financial statements, but in more detail. Each fund's financial transactions, both near-term and historic, are provided in the statement of net position and the statement of revenues, expenses, and changes in net position. In addition, these proprietary funds also present a statement of cash flows.

In FY 2025, the water utility enterprise fund increased its net position from \$111.5 million to \$120.8 million. Unrestricted net assets at the end of the fiscal year amounted to \$46.3 million, and are available for future capital water system improvements. \$73.0 million of the Water Fund's net position are net investment in capital assets and are not available for liquidation to support operations. The remaining \$1.5 million is restricted to satisfy debt service obligations and covenants.

In FY 2025, the sewer utility fund increased its net position from \$194.6 million to \$226.2 million. Unrestricted net position at the end of the fiscal year amounted to \$34.8 million and is available for future capital sewer system improvements. \$191.4 million of the Sewer Fund's net position is net investment in capital asset and are not available for liquidation to support operations.

Other factors concerning the finances of these funds have already been reviewed in the discussion of the City's business-type activities. The capital assets section on the following pages will provide additional discussion and analysis of the business-type financial activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Staff submits a balanced operating and capital budget biennially to the City Council for approval. The Biennial FY 2023/2024 and FY 2024/2025 was presented to Council in June of 2023.

Over the course of the year, the City Council revised the City budget with adjustments that are comprised within the following two categories:

- Changes made in the mid-year report to adjust revenues, augment current year expenditure appropriations, and establish or increase designation of fund balance.
- Other revenue adjustments and expenditure appropriations approved after the original budget is adopted, and before or after the mid-year report is approved.

During the year ended June 30, 2025, there was a \$1.8 million increase in budgeted revenues between the original and final amended operating budget for the General Fund. The increase in budgeted revenues was primarily due to an increase in property tax revenues of \$1.5 million and motor vehicle in lieu revenues of \$0.3 million, both are a direct result of increased property values.

Actual revenues of \$32.1 million were \$7.4 million more than the amended budget as of June 30, 2025 and \$9.2 million more than the original budget. The increase in revenue is attributed to the increase in property values, increase in home sales and higher than expected investment returns.

During the year ended June 30, 2025, there was a \$10.0 million increase in budgeted expenses between the original and final amended operating budget for the General Fund. The increase in budgeted expenses was primarily due to an increase in general government of \$2.5 million, as a result of annual cost of living adjustments for all employees, and increased expenses in cyber security, general liability and property insurance, and information technology equipment, \$1.3 million in public safety, which was a direct result of creating the animal center and hiring staff, adding an additional 5 patrol officers including salary, benefits and equipment, and an increase in overtime due to reduced staffing, and \$3.7 million in public work, which is a result of reassigning parks maintenance from culture and leisure to public works and hiring additional staff to assist with the work load.

Actual budgetary expenditures of \$38.4 million were \$3.9 million less than the amended budget as of June 30, 2025 and \$6.1 million more than the original budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets net of accumulated depreciation, for its governmental and business-type activities together amounted to \$675.1 million at June 30, 2025. This investment includes land, infrastructure, improvements, vehicles, equipment, and construction in progress. For the year ended June 30, 2025, net capital assets increased \$76.1 million (\$39.1 million in governmental activities and \$37. million in business-type activities) compared to net capital assets on June 30, 2024. The increase in both governmental activities and business-type activities is primarily due to the acceptance of infrastructure and improvements from development and construction in progress of many capital improvement projects.

Total construction in progress increased by \$34.4 million from \$34.8 million on June 30, 2024, to \$69.2 million on June 30, 2025. Construction in progress for governmental activities increased by \$3.1 million primarily due \$11.6 million of additions in general CIP and streets projects, offset by \$8.5 million of projects being transferred into service. Business-type activities contributed an increase of \$31.3 million to the total CIP as additions to the Water and Sewer Systems totaling \$31.4 million were offset by \$0.1 million in projects that were completed and placed into service. The largest construction in progress sewer project is the phase 3 consolidated treatment plant expansion.

The City records infrastructure assets at historical costs in the government-wide financial statement and depreciates assets from acquisition date to the end of the current fiscal year as required by GASB Statement No. 34. For governmental fund financial statements recording purposes, capital asset purchases are recorded as expenditures, rather than capitalizing and recording related depreciation.

Capital assets, net of depreciation for governmental and business-type activities in the government-wide financial statements are presented below to illustrate changes between FY 2024 and FY 2025 (in thousands):

For the Fiscal Years Ended June 30, 2024 and 2025
(in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2025	2024	2025	2024	2025
	\$	\$	\$	\$	\$	\$
Land	13,472	14,070	3,739	3,739	17,211	17,809
Construction in Progress	30,952	34,039	3,895	35,163	34,847	69,202
Buildings	20,816	20,164	0	0	20,816	20,164
Improvements other than building	71,691	74,756	230,430	236,206	302,121	310,962
Infrastructure	218,332	248,509	0	0	218,332	248,509
Equipment and vehicles	3,619	6,723	1,097	1,122	4,716	7,845
Right to use Assets	882	613	0	0	882	613
Total Capital Assets	359,764	398,874	239,161	276,230	598,925	675,104

Additional information about the City's capital assets can be found in the Notes to Basic Financial Statements, Note 4.

Debt Administration

The City's long-term debt service obligation include revenue bonds, lease revenue bonds and private placement debt. During the current fiscal year, the City's outstanding long-term debt decreased by \$2.3 million to \$14.3 million, comprising \$0.6 million in governmental activities and \$1.7 million in business-type activities. The decrease of in both governmental and business-type activities is a result of debt service payments and no new bond issuances.

For the Fiscal Years Ended June 30, 2024 and 2025
(in Thousands)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2025	2024	2025	2024	2025
	\$	\$	\$	\$	\$	\$
2017 Bank Loan	-	-	6,724	5,966	6,724	5,966
State Revolving Fund Loan	-	-	4,588	4,099	4,588	4,099
Compass Bank Loan	-	-	2,222	1,807	2,222	1,807
Financed Purchases	2,992	2,393	-	-	2,992	2,393
Total Long Term Debt	2,992	2,393	13,534	11,872	16,526	14,265

Additional information about the City's long-term outstanding debt can be found in the notes to the Basic Financial Statements, Note 6.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City Council considered many factors when setting the Fiscal Year 2025/26 budget. The City primarily relies on property tax and sales tax revenues to provide services and amenities to the community. Lathrop's population has experienced significant growth over the last several years. In 2024 and 2025 the city experienced an 5.4 percent and 4.2 percent, respectively, increase in its population making it one of the fastest growing city with a population over 30,000 in California, for three years in a row. While higher population is an exciting sign of growth, the City also recognizes some of the challenges such growth brings in the planning and management of serving our new residents. With City Council's guidance, the City has built strong financial reserves to draw from in unknown times, and continues to maintain a sound financial position.

Over the past decade, the City Council and City staff have focused on ensuring a sustainable economic future for the City of Lathrop supporting steady growth projections for the future. The City has a goal to provide an environment for strong industrial, commercial and residential growth that has resulted in a solid financial foundation. This has been possible because of stability in City Hall staffing, with a skilled and committed City staff team. These factors have positioned the City to be able to stand up a new Police Department in 2022, to provide services that continue to meet the needs of residents, businesses, schools, community groups and visitors in Lathrop in a cost-effective manner.

Building permit issuance by the City for new residential and commercial development is the key driver used to estimate various revenue streams. These revenues are deposited into various funds. Examples of these revenues include: sales and use taxes on construction materials and equipment; capital facility fees charged to mitigate the impact of new development-driving a need for more parks and street capital investments; system development charges (investment/tap fees) assessed to finance future capital investment for water, sewer, and storm drainage systems.

As mentioned above, the level of single-family dwelling unit building permits issued, measured at 554 in FY 2025, this level exceeds the 334 issued years earlier in Fiscal Year 2006/07 during the height of the previous housing boom.

These major economic indicators were all considered when adopting the General Fund budget for FY 2025/26 budget.

CONTACTING THE CITY FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability and transparency for the money it receives. If you have questions about this report or need additional financial information, contact the City of Lathrop - Finance Department, 390 Towne Centre Drive, Lathrop, California 95330, (209) 941-7320.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Lathrop
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 272,597,504	\$ 95,425,323	\$ 368,022,827
Receivables:			
Accounts (net of allowance for uncollectibles)	7,185,698	4,420,634	11,606,332
Notes and loans	20,350	-	20,350
Accrued interest	611,779	197,601	809,380
Internal balances	808,186	(808,186)	-
Restricted assets:			
Cash with fiscal agent	-	1,486,322	1,486,322
Prepays	22,034	-	22,034
Total current assets	281,245,551	100,721,694	381,967,245
Noncurrent assets:			
Capital assets:			
Nondepreciable	48,108,479	38,902,668	87,011,147
Depreciable	500,270,862	317,133,279	817,404,141
Less accumulated depreciation	(149,505,336)	(79,805,005)	(229,310,341)
Total noncurrent assets	398,874,005	276,230,942	675,104,947
Total assets	680,119,556	376,952,636	1,057,072,192
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pension related items	4,838,020	761,541	5,599,561
Deferred OPEB related items	1,699,347	267,944	1,967,291
Total deferred outflows of resources	6,537,367	1,029,485	7,566,852
LIABILITIES			
Current liabilities:			
Accounts payable	11,495,601	16,370,540	27,866,141
Accrued liabilities	149,466	-	149,466
Accrued interest	-	21,562	21,562
Unearned revenue	243,306	-	243,306
Deposits payable	4,006,510	1,093,783	5,100,293
Compensated absences	1,975,189	101,489	2,076,678
Long-term debt & loans payable	340,000	1,716,112	2,056,112
Leases payable	358,880	-	358,880
Total current liabilities	18,568,952	19,303,486	37,872,438
Noncurrent liabilities:			
Compensated absences	2,180,216	54,648	2,234,864
Long-term debt & loans payable	1,440,000	10,156,303	11,596,303
Leases payable	254,568	-	254,568
Net pension liability	7,850,213	1,132,225	8,982,438
Net OPEB liability	1,768,693	278,576	2,047,269
Total noncurrent liabilities	13,493,690	11,621,752	25,115,442
Total liabilities	32,062,642	30,925,238	62,987,880
DEFERRED INFLOWS OF RESOURCES			
Deferred pension related items	71,978	11,328	83,306
Deferred OPEB related items	246,518	39,463	285,981
Total deferred inflows of resources	318,496	50,791	369,287
NET POSITION			
Net investment in capital assets	396,480,557	264,358,527	660,839,084
Restricted for:			
Community development	2,125,082	-	2,125,082
Public safety	89,385,102	-	89,385,102
Culture and leisure	558,446	-	558,446
Public works	23,207,051	-	23,207,051
Capital projects	73,244,317	-	73,244,317
Debt service	-	1,486,322	1,486,322
Unrestricted	69,275,230	81,161,243	150,436,473
Total net position	\$ 654,275,785	\$ 347,006,092	\$ 1,001,281,877

See accompanying Notes to Basic Financial Statements.

City of Lathrop
Statement of Activities
For the year ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 14,094,572	\$ 9,862,458	\$ 1,670,679	\$ 5,015,201	\$ 16,548,338
Public safety	23,027,105	171,414	129,049	94,663	395,126
Community development	1,071,454	6,708,195	134,358	3,200,290	10,042,843
Culture and leisure	5,921,321	364,280	-	4,039,096	4,403,376
Public works	28,341,417	4,952,767	1,768,736	71,455,764	78,177,267
Interest on long-term debt	209,452	-	-	-	-
Total governmental activities	72,665,321	22,059,114	3,702,822	83,805,014	109,566,950
Business-type Activities:					
Water	9,534,309	12,441,430	-	4,506,876	16,948,306
Sewer	14,838,044	12,577,405	-	9,809,428	22,386,833
Total business-type activities	24,372,353	25,018,835	-	14,316,304	39,335,139
Total primary government	\$ 97,037,674	\$ 47,077,949	\$ 3,702,822	\$ 98,121,318	\$ 148,902,089

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Other taxes & assessments

Use of money and property

Other

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Restatements

Net position - beginning of year, as restated

Net position - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ 2,453,766	\$ -	\$ 2,453,766
(22,631,979)	-	(22,631,979)
8,971,389	-	8,971,389
(1,517,945)	-	(1,517,945)
49,835,850	-	49,835,850
(209,452)	-	(209,452)
36,901,629	-	36,901,629
-	7,413,997	7,413,997
-	7,548,789	7,548,789
-	14,962,786	14,962,786
36,901,629	14,962,786	51,864,415
13,217,096	-	13,217,096
1,046,702	-	1,046,702
19,809,001	-	19,809,001
2,979,604	-	2,979,604
2,864,672	-	2,864,672
12,948,015	4,269,570	17,217,585
536,691	1,501,418	2,038,109
(20,154,571)	20,154,571	-
33,247,210	25,925,559	59,172,769
70,148,839	40,888,345	111,037,184
584,573,128	305,859,347	890,432,475
(446,182)	258,400	(187,782)
584,126,946	306,117,747	890,244,693
\$ 654,275,785	\$ 347,006,092	\$ 1,001,281,877

See accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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City of Lathrop
Major Governmental Funds
Year Ended June 30, 2025

The funds described below were determined to be Major Funds by the City in fiscal year 2024. Individual non-major funds may be found in the Supplementary Information section

GENERAL FUND

This fund accounts for all financial resources except those accounted for in another fund. It is the general operating fund of the City.

DEVELOPER PROJECTS

This fund accounts for revenues received and expenditures spent associated with various developer projects.

CAPITAL FACILITY FEE SPECIAL REVENUE FUND

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration.

STREETS AND ROADS CAPITAL PROJECTS FUND

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year.

GENERAL CIP PROJECTS CAPITAL PROJECTS FUND

To account for the expenditure of funds for projects funded from the General Fund.

PARK IN LIEU CAPITAL PROJECTS FUND

To account for revenues and expenditures which can legally be made under the Quimby Act. The revenue is collected from residential developers to offset the impact on parks and can only be used for new park development.

City of Lathrop
Balance Sheet
Governmental Funds
June 30, 2025

	Special Revenue Funds			Capital Project Funds
	General Fund	Developer Projects	Capital Facility Fees	Streets and Roads
ASSETS				
Cash and investments	\$ 51,310,983	\$ 2,236,163	\$ 76,880,580	\$ 33,324,028
Receivables:				
Accounts (net of allowance for uncollectibles)	4,088,155	29,207	3,194	73
Notes and loans	-	-	-	-
Accrued interest	110,830	21,764	170,002	70,565
Prepays	22,034	-	-	-
Advances to other funds	8,306,186	-	-	-
Total assets	\$ 63,838,188	\$ 2,287,134	\$ 77,053,776	\$ 33,394,666
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,166,447	\$ -	\$ 2,486,479	\$ 1,219,884
Accrued liabilities	149,466	-	-	-
Unearned revenue	243,306	-	-	-
Deposits payable	924,354	1,146,437	-	-
Advances from other funds	-	-	7,498,000	-
Total liabilities	2,483,573	1,146,437	9,984,479	1,219,884
Deferred Inflows of Resources				
Unavailable revenue	56,618	-	-	-
Total deferred inflows of resources	56,618	-	-	-
Fund Balances:				
Nonspendable	8,328,220	-	-	-
Restricted	-	1,140,697	67,069,297	30,959,375
Committed	30,410,317	-	-	1,215,407
Unassigned	22,559,460	-	-	-
Total fund balances	61,297,997	1,140,697	67,069,297	32,174,782
Total liabilities, deferred inflows of resources and fund balances	\$ 63,838,188	\$ 2,287,134	\$ 77,053,776	\$ 33,394,666

See accompanying Notes to Basic Financial Statements.

Capital Project			
Funds			
General CIP Projects	Park in Lieu	Nonmajor Governmental Funds	Total Governmental Funds
\$ 19,129,902	\$ 3,800,249	\$ 82,212,944	\$ 268,894,849
6,548	-	3,058,521	7,185,698
-	-	20,350	20,350
42,997	8,550	187,071	611,779
-	-	-	22,034
-	-	-	8,306,186
<u>\$ 19,179,447</u>	<u>\$ 3,808,799</u>	<u>\$ 85,478,886</u>	<u>\$ 285,040,896</u>
\$ 1,075,061	\$ 3,250,353	\$ 2,297,377	\$ 11,495,601
-	-	-	149,466
-	-	-	243,306
-	-	1,935,719	4,006,510
-	-	-	7,498,000
<u>1,075,061</u>	<u>3,250,353</u>	<u>4,233,096</u>	<u>23,392,883</u>
-	-	1,796,428	1,853,046
-	-	1,796,428	1,853,046
-	-	-	8,328,220
9,341,315	558,446	79,450,868	188,519,998
8,763,071	-	-	40,388,795
-	-	(1,506)	22,557,954
<u>18,104,386</u>	<u>558,446</u>	<u>79,449,362</u>	<u>259,794,967</u>
\$ 19,179,447	\$ 3,808,799	\$ 85,478,886	\$ 285,040,896

See accompanying Notes to Basic Financial Statements.

City of Lathrop
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds	\$ 259,794,967
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

Nondepreciable	48,108,479
Depreciable, net	350,765,526
Total capital assets	<u>398,874,005</u>

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	1,853,046
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In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

Deferred outflows of resources related to pension	4,838,020
Deferred outflows of resources related to OPEB	1,699,347
Deferred inflows of resources related to pension	(71,978)
Deferred inflows of resources related to OPEB	(246,518)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Compensated absences - due within one year	(294,288)
Long-term debt - due within one year	(340,000)
Leases payable - due within one year	(358,880)
Compensated absences - due in more than one year	(158,462)
Long-term debt - due in more than one year	(1,440,000)
Leases payable - due in more than one year	(254,568)
Net pension liability	(7,850,213)
Net OPEB liability	(1,768,693)
Total long-term liabilities	<u>(12,465,104)</u>

Net Position of Governmental Activities	\$ 654,275,785
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City of Lathrop

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2025

	Special Revenue Funds			Capital Project Funds
	General Fund	Developer Projects	Capital Facility Fees	Streets and Roads
REVENUES:				
Taxes and assessments	\$ 33,360,814	\$ -	\$ 17,336,960	\$ -
Licenses and permits	273,823	-	-	-
Intergovernmental	4,997,918	-	-	-
Charges for services	641,286	-	-	-
Use of money and property	2,892,857	512,182	3,339,679	1,109,486
Fines and forfeitures	135,358	-	-	-
Developer participation	-	23,909,629	-	-
Miscellaneous	265,519	-	563,022	-
Total revenues	42,567,575	24,421,811	21,239,661	1,109,486
EXPENDITURES:				
Current:				
General government	13,680,470	-	-	-
Public safety	15,366,699	-	-	-
Community development	1,076,039	-	-	-
Culture and leisure	1,889,440	-	-	-
Public works	3,079,815	-	-	-
Capital outlay	3,140,389	-	-	9,327,964
Debt service:				
Principal retirement	330,000	-	-	-
Lease principal retirement	591,563	-	-	-
Interest and fiscal charges	49,598	-	-	-
Total expenditures	39,204,013	-	-	9,327,964
REVENUES OVER (UNDER) EXPENDITURES	3,363,562	24,421,811	21,239,661	(8,218,478)
OTHER FINANCING SOURCES (USES):				
Transfers in	8,342,914	-	-	18,561,650
Transfers out	(12,784,701)	(23,911,809)	(2,686,523)	-
Lease and software subscription issuance	322,790	-	-	-
Proceeds from sale of capital assets	8,415	-	-	-
Total other financing sources (uses)	(4,110,582)	(23,911,809)	(2,686,523)	18,561,650
Net change in fund balances	(747,020)	510,002	18,553,138	10,343,172
FUND BALANCES:				
Beginning of year	62,045,017	-	48,516,159	-
Restatement	-	630,695	-	21,831,610
Beginning of year, as restated	62,045,017	630,695	48,516,159	21,831,610
End of year	\$ 61,297,997	\$ 1,140,697	\$ 67,069,297	\$ 32,174,782

See accompanying Notes to Basic Financial Statements.

Capital Project Funds			
General CIP Projects	Park in Lieu	Nonmajor Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 14,370,684	\$ 65,068,458
-	-	27,580	301,403
-	-	7,963,841	12,961,759
-	-	10,790,044	11,431,330
860,657	170,985	4,059,243	12,945,089
-	-	1,613,589	1,748,947
-	-	444,007	24,353,636
-	-	262,205	1,090,746
860,657	170,985	39,531,193	129,901,368
-	-	-	13,680,470
-	-	4,352,688	19,719,387
-	-	429	1,076,468
-	-	183,901	2,073,341
(7,195)	-	14,288,811	17,361,431
9,144,143	2,739,760	218,024	24,570,280
-	-	-	330,000
-	-	-	591,563
-	-	159,854	209,452
9,136,948	2,739,760	19,203,707	79,612,392
(8,276,291)	(2,568,775)	20,327,486	50,288,976
6,732,447	-	6,426,899	40,063,910
-	-	(20,835,448)	(60,218,481)
-	-	-	322,790
-	-	-	8,415
6,732,447	-	(14,408,549)	(19,823,366)
(1,543,844)	(2,568,775)	5,918,937	30,465,610
19,648,230	-	99,119,951	229,329,357
-	3,127,221	(25,589,526)	-
19,648,230	3,127,221	73,530,425	229,329,357
\$ 18,104,386	\$ 558,446	\$ 79,449,362	\$ 259,794,967

See accompanying Notes to Basic Financial Statements.

City of Lathrop

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities For the year ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 30,465,610
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Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period.	23,223,661
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Donated capital assets are not recorded in the governmental funds, but are recognized as revenue at the acquisition value of the assets.	33,627,939
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Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds.	(16,224,760)
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(1,517,011)

Compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.	11,466
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.

Long-term debt repayments	330,000
Lease and subscription payments	591,563
Acquisition of new leases and subscriptions	(322,790)

Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.	2,319,602
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Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	(2,384,289)
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OPEB income (expense) is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.	265,207
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Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. This is the change in unavailable revenues from the prior year.	(568,991)
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Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.

331,632

Change in Net Position of Governmental Activities	\$ 70,148,839
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See accompanying Notes to Basic Financial Statements.

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City of Lathrop
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
ASSETS				
Current Assets:				
Cash and investments	\$ 46,239,941	\$ 49,185,382	\$ 95,425,323	\$ 3,702,655
Receivables:				
Accounts (net of allowance for uncollectibles)	2,870,570	1,550,064	4,420,634	-
Accrued interest	102,940	94,661	197,601	-
Restricted:				
Cash and with fiscal agent	1,486,322	-	1,486,322	-
Total current assets	50,699,773	50,830,107	101,529,880	3,702,655
Noncurrent:				
Capital assets:				
Nondepreciable capital assets	3,744,569	35,158,099	38,902,668	-
Depreciable capital assets	119,806,955	197,326,324	317,133,279	-
Accumulated depreciation	(38,700,855)	(41,104,150)	(79,805,005)	-
Net capital assets	84,850,669	191,380,273	276,230,942	-
Total noncurrent assets	84,850,669	191,380,273	276,230,942	-
Total assets	135,550,442	242,210,380	377,760,822	3,702,655
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension related items	464,764	296,777	761,541	-
Deferred OPEB related items	163,589	104,355	267,944	-
Total deferred outflows of resources	628,353	401,132	1,029,485	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,433,525	14,937,015	16,370,540	-
Accrued interest	21,562	-	21,562	-
Deposits payable	1,062,495	31,288	1,093,783	-
Accrued compensated absences	70,851	30,638	101,489	1,680,901
Loans payable	1,716,112	-	1,716,112	-
Total current liabilities	4,304,545	14,998,941	19,303,486	1,680,901
Noncurrent liabilities:				
Advances from other funds	-	808,186	808,186	-
Accrued compensated absences	38,150	16,498	54,648	2,021,754
Net pension liability	687,635	444,590	1,132,225	-
Net OPEB liability	170,037	108,539	278,576	-
Loans payable	10,156,303	-	10,156,303	-
Total noncurrent liabilities	11,052,125	1,377,813	12,429,938	2,021,754
Total liabilities	15,356,670	16,376,754	31,733,424	3,702,655
DEFERRED INFLOWS OF RESOURCES				
Deferred pension related items	6,914	4,414	11,328	-
Deferred OPEB related items	24,179	15,284	39,463	-
Total deferred inflows of resources	31,093	19,698	50,791	-
NET POSITION				
Net investment in capital assets	72,978,254	191,380,273	264,358,527	-
Restricted for debt service	1,486,322	-	1,486,322	-
Unrestricted	46,326,456	34,834,787	81,161,243	-
Total net position	\$ 120,791,032	\$ 226,215,060	\$ 347,006,092	\$ -

See accompanying Notes to Basic Financial Statements.

City of Lathrop
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2025

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
OPERATING REVENUES:				
Sales and service charges	\$ 12,441,430	\$ 12,577,405	\$ 25,018,835	\$ 822,021
Other income	1,152,381	349,037	1,501,418	-
Total operating revenues	13,593,811	12,926,442	26,520,253	822,021
OPERATING EXPENSES:				
General and administrative	1,775,181	1,038,010	2,813,191	490,389
Maintenance and operations	4,889,196	9,785,660	14,674,856	-
Depreciation expense	2,498,551	4,014,374	6,512,925	-
Total operating expenses	9,162,928	14,838,044	24,000,972	490,389
Operating income (loss)	4,430,883	(1,911,602)	2,519,281	331,632
NONOPERATING REVENUES (EXPENSES):				
Taxes and assessments	1,285,169	894,166	2,179,335	-
Investment earnings	2,251,211	2,018,359	4,269,570	-
Interest expense	(371,381)	-	(371,381)	-
Total nonoperating revenues (expenses)	3,164,999	2,912,525	6,077,524	-
Income before contributions and transfers	7,595,882	1,000,923	8,596,805	331,632
CONTRIBUTIONS AND TRANSFERS:				
Contributions	3,221,707	8,915,262	12,136,969	-
Transfers in	130,122	23,622,305	23,752,427	-
Transfers out	(1,709,800)	(1,888,056)	(3,597,856)	-
Total contributions and transfers	1,642,029	30,649,511	32,291,540	-
Change in net position	9,237,911	31,650,434	40,888,345	331,632
NET POSITION:				
Beginning of year	111,280,762	194,578,585	305,859,347	-
Restatements	272,359	(13,959)	258,400	(331,632)
Beginning of year, as restated	111,553,121	194,564,626	306,117,747	(331,632)
End of year	<u>\$ 120,791,032</u>	<u>\$ 226,215,060</u>	<u>\$ 347,006,092</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

City of Lathrop
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2025

	Business-Type Activities			Governmental Activities
	Water	Sewer	Totals	Compensated Absences Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 11,976,774	\$ 12,439,646	\$ 24,416,420	\$ -
Cash paid to suppliers for goods and services	(9,468,193)	4,054,309	(5,413,884)	-
Cash paid to employees for services	(1,823,838)	(1,074,854)	(2,898,692)	-
Cash received from (payments to) others	1,152,381	349,037	1,501,418	822,021
Net cash provided (used) by operating activities	1,837,124	15,768,138	17,605,262	822,021
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash transfers in	130,122	23,622,305	23,752,427	-
Cash transfers out	(1,709,800)	(1,888,056)	(3,597,856)	-
Repayment made to other funds	-	(532,560)	(532,560)	-
Net cash provided (used) by non-capital financing activities	(1,579,678)	21,201,689	19,622,011	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(949,944)	(30,495,990)	(31,445,934)	-
Taxes and assessments	1,285,169	894,166	2,179,335	-
Principal paid on capital debt	(1,662,670)	-	(1,662,670)	-
Interest paid on capital debt	(355,590)	11,455	(344,135)	-
Net cash provided (used) by capital and related financing activities:	(1,683,035)	(29,590,369)	(31,273,404)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	2,251,211	2,018,359	4,269,570	-
Net cash provided (used) by investing activities	2,251,211	2,018,359	4,269,570	-
Net increase (decrease) in cash and cash equivalents	825,622	9,397,817	10,223,439	822,021
Cash and cash equivalents at beginning of year	46,900,641	39,787,565	86,688,206	2,880,634
Cash and cash equivalents at end of year	\$ 47,726,263	\$ 49,185,382	\$ 96,911,645	\$ 3,702,655
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ 4,430,883	\$ (1,911,602)	\$ 2,519,281	\$ 331,632
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,498,551	4,014,374	6,512,925	-
(Increase) decrease in accounts receivable	(533,866)	(96,415)	(630,281)	-
Increase (decrease) in accounts payable	(4,578,997)	13,839,969	9,260,972	-
Increase (decrease) in accrued liabilities	-	(41,344)	(41,344)	-
Increase (decrease) in deposits payable	69,210	-	69,210	-
Increase (decrease) in compensated absences	216	(2,822)	(2,606)	490,389
Increase (decrease) in pension and OPEB	(48,873)	(34,022)	(82,895)	-
Total Adjustments	(2,593,759)	17,679,740	15,085,981	490,389
Net cash provided (Used) by operating activities	\$ 1,837,124	\$ 15,768,138	\$ 17,605,262	\$ 822,021
Non-Cash Investing, Capital, and Financing Activities:				
Donated assets	\$ 3,221,707	\$ 8,915,262	12,136,969	\$ -

See accompanying Notes to Basic Financial Statements.

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City of Lathrop
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Custodial Funds
ASSETS	
Cash and investments	\$ 6,584,559
Receivables:	
Accrued interest	12,697
Restricted assets:	
Cash and with fiscal agent	4,716,896
Total assets	11,314,152
LIABILITIES	
Accounts payable	358,923
Deposits payable	30,747
Total liabilities	389,670
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	10,924,482
Total Net Position	\$ 10,924,482

See accompanying Notes to Basic Financial Statements.

City of Lathrop
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2025

	Custodial Funds
ADDITIONS:	
Collections for assessment districts	\$ 7,570,529
Investment earnings	417,906
Total additions	7,988,435
DEDUCTIONS:	
Administrative expenses	220,632
Debt service	7,033,065
Total deductions	7,253,697
Change in net position	734,738
NET POSITION:	
Beginning of year	10,189,744
End of year	\$ 10,924,482

See accompanying Notes to Basic Financial Statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

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City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Lathrop, California, (the City) was incorporated July 1, 1989, under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: general government, public safety, public ways and facilities/transportation, culture and leisure, and public utilities.

The financial statements of the primary government of the City of Lathrop include the activities of the City as well as the Lathrop Public Facilities Financing Corporation, which is controlled by and dependent on the City. While it is a separate legal entity, its financial activities are integral to those of the City. Its financial activities have been aggregated and merged (termed “blending”) with those of the primary government of the City in the accompanying financial statements.

On April 11, 2000, the City Council formed the Lathrop Public Facilities Financing Corporation (Corporation), a non-profit public benefit corporation. The Corporation was formed to assist the City in financing the acquisition, construction, and improvement of municipal facilities. The Corporation is also empowered to acquire property. The Corporation is governed by a Board of Directors consisting of the City Council members.

B. Basis of Presentation

The City’s Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Standards require that the financial statements described below be presented.

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City and its component unit). These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, the interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type* activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Presentation, Continued

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

C. Major Funds

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. Major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

General Fund

This fund accounts for all financial resources except those accounted for in another fund. It is the general operating fund of the City.

Developer Projects

This fund accounts for revenues received and expenditures spent associated with various developer projects.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. Major Funds, Continued

Capital Facility Fees Special Revenue Fund

To account for the financial resources associated with the capital facility fees for Traffic Mitigation (includes Regional Traffic), Storm Drain, Culture and Leisure, City Service, and Administration.

Streets and Roads Capital Projects Fund

This fund accounts for capital project expenditures related to streets and roads occurring over more than one fiscal year.

General CIP Projects Fund

To account for capital project expenditures related to streets and roads occurring over more than one fiscal year.

Park in Lieu Capital Projects Fund

The Park in Lieu Capital Projects Fund accounts for revenues and expenditures which can legally be made under the Quimby Act. The revenue is collected from residential developers to offset the impact on parks and can only be used for new park development.

The City reported both of its enterprise funds as major funds in the accompanying financial statements:

Water Fund

This fund accounts for the revenues and expenses of the City's water operations.

Sewer Fund

This fund accounts for the revenues and expenses of the City's sewer operations.

The City also reports the following fund types:

Internal Service Fund

The fund accounts for compensated absences activities, which are provided to other departments on a cost-reimbursement basis.

Fiduciary Funds

Custodial funds are used to account for assets held by the City as a custodian for certain special assessment districts. The financial activities of these funds are excluded from the entity-wide financial statement but are presented in separate Fiduciary Fund financial statements.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Basis of Accounting

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *full accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*.

The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under leases, software subscriptions, and financed purchases are reported as *other financing sources*.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted Net Position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

Those revenues susceptible to accrual are use of money and property revenue, charges for services and fines and penalties. Sales taxes collected and held by the State at year-end on behalf of the City also are recognized as revenue.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Property Tax

The City's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the City. Property sold after the assessment date (January 1) is reassessed and the amount of property tax levied is prorated.

The City has elected to receive property taxes from the County of San Joaquin (County) under the Teeter Plan. Under this program, the City receives 100% of the levied property taxes in periodic payments with the County assuming responsibility for delinquencies. Secured property taxes are due in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31. The City accrues only taxes which are received from the County within 60 days after fiscal year end.

F. Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

H. Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report utilities and interest earnings as their major receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Prepaid Expenses

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

J. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at the estimated acquisition value on the date contributed. All other capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. The City's policy is to capitalize all capital assets with costs exceeding certain minimum thresholds.

The City has recorded all its public domain (infrastructure) capital assets placed in service, which include roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Generally accepted accounting principles require that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the cost of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

Buildings	10 - 30 years
Improvements	5 - 50 years
Equipment and Vehicles	5 - 30 years
Infrastructure	5 - 40 years
Leases and Subscriptions	Lease/Subscription Term

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Capital Assets, Continued

The City capitalizes all capital assets with a useful life of more than one year. Prior to July 1, 2019, the City capitalized all capital assets with a cost greater than \$3,000. Subsequent to that date, the City capitalizes all land purchases and all other capital assets as follows:

Land	\$	-
Land Improvements		50,000
Buildings and Building Improvements		50,000
Infrastructure		50,000
Equipment, Furniture and Vehicles		10,000
Leases and Subscriptions (GASBS 87 and 96)		100,000
Leasehold Improvements		50,000
Construction in Progress for Year End Reporting		50,000 will exceed amount at completion

K. Compensated Absences

City employees accumulate earned, but unused, compensatory, management, vacation, and sick leaves which will be used in the next 12 months (sick leave), converted to vacation leave (management leave), or paid out upon termination of employment (compensatory, and vacation leaves). Accrual amounts are determined on a first-in first-out basis. For governmental funds, a liability for these amounts is recorded only if they have matured, for example, as a result of employee resignations and retirements. The remaining amounts are reported as a liability in the Statement of Net Position. Proprietary funds' liability for compensated absences is recorded in each proprietary fund. The liability for compensated absences is determined annually.

L. Long Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

M. Net Pension Liability

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The liability is typically liquidated by the General Fund. CalPERS audited financial statements are publicly available reports that can be obtained from CalPERS' website under Forms and Publications.

N. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. The liability is typically liquidated by the General Fund.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023 to June 30, 2024

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

P. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances". Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

Q. Net Position and Fund Balance

Net Position

Net position is the excess of all the City's assets all deferred outflows over all its liabilities and deferred inflows, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined only at the Government-wide level, and business-type activities and are described below:

Net Investment in Capital Assets describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets and related deferred inflow of resources.

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Q. Net Position and Fund Balance, Continued

Fund Balance, Continued

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendables represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances include amounts that can be used only for the specific purposes determined by a formal action of the City Council's highest level of decision-making authority. The City Council can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. The Authority for assigning fund balance is expressed by the City Council or its designee (i.e., City Manager), as established in the City's Reserve Policy. This category includes nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

Further detail about the City's fund balance classification is described in Note 9.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

R. New Accounting Pronouncements

GASB Statement No. 101, Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City restated its beginning compensated absence balances and updated its current year accounting and disclosures as part of the implementation of this Statement.

GASB Statement No. 102, Certain Risk Disclosures - The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. No new disclosures resulted from the implementation of this Statement.

2. CASH AND INVESTMENTS

A. Policies

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system.

California Law requires banks and savings and loan institutions to pledge government securities with a fair value of 110% of the City's cash on deposit or first trust deed mortgage notes with a value of 150% of the City's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the City's name and places the City ahead of general creditors of the institution pledging the collateral. As of June 30, 2025, \$69,644 of the cash with financial institutions was collateralized.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Investment income is allocated among funds on the basis of average monthly cash and investment balances in these funds. Interest income on certain investments is allocated based on the source of the investment and legal requirements which apply.

Cash and investments with an original maturity of three months or less are used in preparing proprietary fund statements of cash flows because these assets are highly liquid and are expended to liquidate liabilities arising during the year.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments. Cash and investments as of June 30, 2025, are as follows:

City cash and investments in primary government:	
Cash and investments	\$ 368,022,827
Cash and investments, restricted, with fiscal agents	1,486,322
Total primary government cash and investments	369,509,149
Cash and investments in Fiduciary Funds (separate statement):	
Cash and investments	6,584,559
Cash and investments, restricted, with fiscal agents	4,716,896
Total Fiduciary Funds cash and investments	11,301,455
Total cash and investments	\$ 380,810,604

Cash and Investments as of June 30, 2025, consist of the following:

Cash on hand	\$ 3,260
Cash with financial institutions	68,890,593
Investments	311,916,751
Total Cash and Investments	\$ 380,810,604

C. Investments Authorized by the California Government Code and the City's Investment Policy

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code or the City's Investment Policy where it is more restrictive that addresses interest rate risk, credit risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

C. Investments Authorized by the California Government Code and the City's Investment Policy, Continued

The City's investment policy states that all investments and deposits shall be made in accordance with the California Government Code Sections 16429.1, 53600-53609 and 53630-53686, except for the reserve funds from proceeds of debt issues may be invested in permitted investments specified in the indenture of the debt issue. The City has further restricted authorized investments to the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Amount of Portfolio	Maximum Investment in One Issuer	Minimum Credit Ratings
Local Government Bonds	5 years	30%	None	A
State Bonds	5 years	30%	None	A
US Treasury Obligations	5 years	None	None	N/A
US Government Agency Issues	5 years	None	None	N/A
Banker's Acceptance	180 days	40%	30%	A
Commercial Paper, Prime Quality	270 days	25%	10%	A
Negotiable Certificates of Deposit	5 years	30%	None	N/A
Repurchase and Reverse Repurchase Agreements	30 days	None	None	A
Medium - Term Notes	5 years	30%	10%	AAA
Money Market Funds	N/A	20%	None	AAAm
Mutual Funds	5 years	20%	10%	AAAm
Local Agency Investment Fund ("LAIF")	N/A	None	None	N/A
Joint Power Authority Pool	N/A	None	None	N/A
Supranational Obligations	5 years	30%	None	AA

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

D. Investments Authorized by Debt Agreements

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City resolutions, bond indentures or State statutes. The table below identifies the investment types that are authorized for investments held by fiscal agents. The bond indentures contain no limitations for the maximum investment in any one issuer or the maximum percentage of the portfolio that may be invested in any one investment type. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Maximum Percentage/ Amount of Portfolio	Maximum Investment in One Issuer
US Treasury Obligations	None	None	None
US Agency Securities	None	None	None
Mortgage-backed Securities	3 years	None	None
Banker's Acceptance (must be dollar denominated)	360 days	None	None
Certificates of Deposit	None	None	None
Commercial Paper	180 days	None	None
Money Market Funds	N/A	None	None
Local Government Bonds	None	None	None
County Pool	N/A	None	None
Local Agency Investment Fund ("LAIF")	N/A	None	None

E. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

E. Interest Rate Risk, Continued

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Investment Type	Maturities			
	12 Months or Less	13 to 24 Months	25 to 60 Months	Total
U.S. Treasury Obligations	\$ -	\$ 3,360,498	\$ 111,467,694	\$ 114,828,192
U.S. Government Agencies Issues	-	2,984,956	8,415,022	11,399,978
Supranational Obligations	-	1,757,842	3,001,332	4,759,174
Local Agency Investment Fund	75,089,873	-	-	75,089,873
California Asset Management Program	95,830,946	-	-	95,830,946
Money Market Mutual Funds	10,008,588	-	-	10,008,588
Total Investments	<u>\$ 180,929,407</u>	<u>\$ 8,103,296</u>	<u>\$ 122,884,048</u>	311,916,751
Cash in Banks and On Hand				<u>68,893,853</u>
Total City Cash and Investments				<u>\$ 380,810,604</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF. For the year ended June 30, 2025, the fair value factor for the City's investments in LAIF was 1.00119831. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more.

Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, United States Treasury Notes and Bills and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2025, LAIF had 3.81% of its portfolio invested in structured notes and asset-backed securities as compared to 3.00% in the prior year.

At June 30, 2025, the City's investment position in the California Asset Management Program (CAMP) was \$95,830,946. The CAMP Pool is a short-term cash reserve portfolio and cash management vehicle. The Pool is managed to maintain a dollar-weighted average portfolio maturity of 60 days or less and seeks to maintain a constant net asset value (NAV) per share of \$1.00. CAMP is rated AAAM by Standard & Poor's. At June 30, 2025, the total net asset value per share was \$1.00 and the 7-day yield was 4.43%.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

E. Interest Rate Risk, Continued

Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule.

F. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2025:

<i>Investments by Fair Value Level:</i>	Level 1	Level 2	Total
U.S. Treasury Obligations	\$ -	\$ 114,828,192	\$ 114,828,192
U.S. Government Agencies Issues	-	11,399,978	11,399,978
Supranational Obligations	-	4,759,174	4,759,174
Total Investments by Fair Value Level	\$ -	\$ 130,987,344	130,987,344
<i>Investments Measured at Amortized Cost:</i>			
Local Agency Investment Fund			75,089,873
California Asset Management Program			95,830,946
Money Market Mutual Funds			10,008,588
<i>Cash in Banks and On Hand</i>			68,893,853
Total Cash and Investments			\$ 380,810,604

For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker dealer quotes, issuer spreads and benchmark securities, among others. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

G. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings as of June 30, 2025, as provided by Standard and Poor's, are as follows:

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

2. CASH AND INVESTMENTS, Continued

G. Credit Risk, Continued

Investment Type	AAA	AA1	AAA	Total
Supranational Obligations	\$ -	\$ -	\$ 4,759,174	\$ 4,759,174
U.S. Government Agencies Issues	-	11,399,978	-	11,399,978
US Treasury Obligations	-	114,828,192	-	114,828,192
California Asset Management Program	95,830,946	-	-	95,830,946
Money Market Mutual Funds	10,008,588	-	-	10,008,588
Totals	\$ 105,839,534	\$ 126,228,170	\$ 4,759,174	236,826,878
Not Rated:				
Local Agency Investment Fund				75,089,873
Total Investments				\$ 311,916,751

H. Concentration of Credit Risk

There were no investments in any one issuer, other than U.S. Treasury securities, money market mutual funds, and California Local Agency Investment Funds that represent 5% or more of total City-wide investments at June 30, 2025.

3. INTERFUND TRANSACTIONS

A. Long-Term Advances

As of June 30, 2025, the Sewer Enterprise Fund had a remaining balance of \$808,186 owed to the General Fund, which was used to cover capital construction and other related costs. The advances are repaid with future operating revenues over several years.

In the fiscal year ended June 30, 2023, the City loaned the Capital Facility Fees Fund \$7,498,000 for the purpose of funding an animal shelter. The loan will be repaid through fee revenues. The remaining balance was \$7,498,000 as of June 30, 2025.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

3. INTERFUND TRANSACTIONS, Continued

B. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2025, were as follows:

Transfers Out	Transfers In						Total
	General Fund	Streets & Roads	General CIP Projects	Non-Major Governmental Funds	Water	Sewer	
Major Funds:							
General Fund	\$ -	\$ 5,405,261	\$ 2,762,542	\$ 4,616,898	\$ -	\$ -	\$ 12,784,701
Developer Projects	2,180	272,324	15,000	-	-	23,622,305	23,911,809
Capital Facilities Fees	479,598	636,925	1,570,000	-	-	-	2,686,523
Non-Major Governmental Funds	4,412,216	12,247,140	2,235,969	1,810,001	130,122	-	20,835,448
Major Enterprise Funds:							
Water	1,645,970	-	63,830	-	-	-	1,709,800
Sewer	1,802,950	-	85,106	-	-	-	1,888,056
Total	<u>\$ 8,342,914</u>	<u>\$ 18,561,650</u>	<u>\$ 6,732,447</u>	<u>\$ 6,426,899</u>	<u>\$ 130,122</u>	<u>\$ 23,622,305</u>	<u>\$ 63,816,337</u>

The purpose of the General Fund transfers out were to fund various capital projects and, to a lesser extent, to subsidize special revenue funds' operations. Transfers from the Capital Facilities Fee Special Revenue Fund were to fund operations and contribute to capital projects. Transfers from the Water and Sewer Enterprise Funds to the General Fund were to help pay for overhead costs. Transfers from Non-Major Governmental Funds to the General Fund to pay for overhead costs and projects.

C. Internal Balances

Internal balances are presented in the entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

4. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Capital assets activity for the year ended June 30, 2025, is as follows:

Governmental Activities	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 13,472,040	\$ 2,076,956	\$ (1,479,294)	\$ -	\$ 14,069,702
Construction in Progress	30,951,580	11,579,836	-	(8,492,639)	34,038,777
Total capital assets not being depreciated	44,423,620	13,656,792	(1,479,294)	(8,492,639)	48,108,479
Capital assets being depreciated/amortized:					
Buildings	26,525,780	172	-	-	26,525,952
Improvements	109,250,188	4,206,971	-	3,573,867	117,031,026
Equipment and Vehicles	8,200,519	3,448,231	(171,091)	2,418,853	13,896,512
Infrastructure	303,118,343	35,216,644	-	2,499,919	340,834,906
Equipment and Vehicles - Right-to-use Assets	1,659,676	322,790	-	-	1,982,466
Total capital assets being depreciated/amortized	448,754,506	43,194,808	(171,091)	8,492,639	500,270,862
Less accumulated depreciation/amortization:					
Buildings	(5,709,746)	(652,125)	-	-	(6,361,871)
Improvements	(37,559,166)	(4,715,459)	-	-	(42,274,625)
Equipment and Vehicles	(4,581,643)	(2,725,066)	133,374	-	(7,173,335)
Infrastructure	(84,785,940)	(7,540,547)	-	-	(92,326,487)
Equipment and Vehicles - Right-to-use Assets	(777,455)	(591,563)	-	-	(1,369,018)
Total accumulated depreciation/amortization	(133,413,950)	(16,224,760)	133,374	-	(149,505,336)
Net capital assets being depreciated/amortization	315,340,556	26,970,048	(37,717)	8,492,639	350,765,526
Governmental Activities Capital Assets, Net	\$ 359,764,176	\$ 40,626,840	\$ (1,517,011)	\$ -	\$ 398,874,005

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

4. CAPITAL ASSETS, Continued

A. Capital Asset Additions and Retirements, Continued

Business-type Activities	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 3,739,227	\$ -	\$ -	\$ -	\$ 3,739,227
Construction in Progress	3,895,075	31,400,963	-	(132,597)	35,163,441
Total capital assets not being depreciated	7,634,302	31,400,963	-	(132,597)	38,902,668
Capital assets being depreciated:					
Buildings	3,072	-	-	-	3,072
Improvements	302,395,595	12,280,381	(303,266)	132,597	314,505,307
Equipment and Vehicles	2,441,484	204,825	(21,409)	-	2,624,900
Net capital assets being depreciated	304,840,151	12,485,206	(324,675)	132,597	317,133,279
Less accumulated depreciation:					
Buildings	(3,072)	-	-	-	(3,072)
Improvements	(71,966,038)	(6,334,615)	1,650	-	(78,299,003)
Equipment and Vehicles	(1,344,379)	(178,310)	19,759	-	(1,502,930)
Total accumulated depreciation	(73,313,489)	(6,512,925)	21,409	-	(79,805,005)
Net capital assets being depreciated	231,526,662	5,972,281	(303,266)	132,597	237,328,274
Business-type Activities Capital Assets, Net	\$ 239,160,964	\$ 37,373,244	\$ (303,266)	\$ -	\$ 276,230,942

B. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. These contributions are required to be accounted for as revenues at the time the capital assets are contributed.

C. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities:	
General government	\$ 782,279
Public safety	3,196,039
Public works	11,048,689
Culture and leisure	1,197,753
Total Governmental Activities	\$ 16,224,760

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

4. CAPITAL ASSETS, Continued

C. Depreciation Allocation, Continued

Business-Type Activities:	
Water	\$ 2,498,551
Sewer	4,014,374
Total Business-Type Activities	\$ 6,512,925

5. COMPENSATED ABSENCES

The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2025:

	Balance June 30, 2024, as restated	Net Changes	Balance June 30, 2025	Due within one year
Governmental activities	\$ 3,676,482	\$ 478,923	\$ 4,155,405	\$ 1,975,189
Business-type activities	158,743	(2,606)	156,137	101,489
Total	\$ 3,835,225	\$ 476,317	\$ 4,311,542	\$ 2,076,678

6. LOANS PAYABLE & OTHER LONG-TERM DEBT

A. The City's Loans Payable & Other Long-Term Debt

The City's long-term debt activities for the year ended June 30, 2025, are as follows:

Governmental Activities Long-Term Debt	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Current Portion
Financing Agreement Obligation					
2016 Financing Agreement					
2.55%, due 07/15/2029	\$ 2,110,000	\$ -	\$ (330,000)	\$ 1,780,000	\$ 340,000
Leases and SBITAS (See Note 8)	882,221	322,790	(591,563)	613,448	358,880
Total Governmental Activities	\$ 2,992,221	\$ 322,790	\$ (921,563)	\$ 2,393,448	\$ 698,880

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

6. LOANS PAYABLE & OTHER LONG-TERM DEBT, Continued

A. The City's Loans Payable & Other Long-Term Debt, Continued

Business-type Activities Long-Term Debt	Balance June 30, 2024	Retirements	Balance June 30, 2025	Current Portion
Capital Loan Obligation				
2017 Bank Loan				
2.89%, due 06/01/2032	\$ 6,724,497	\$ (758,602)	\$ 5,965,895	\$ 780,686
State Revolving Fund Loan				
2.3086%, due 07/01/2032	4,588,144	(488,846)	4,099,298	505,970
Compass Bank Loan				
3.50%, due 06/01/2029	2,222,444	(415,222)	1,807,222	429,456
Total Business-type Activities	<u>\$ 13,535,085</u>	<u>\$ (1,662,670)</u>	<u>\$ 11,872,415</u>	<u>\$ 1,716,112</u>

B. Debt Service Requirements

Future principal and interest payments on all governmental and business-type long-term debt are as follows at June 30, 2025:

Governmental Activities:		Direct Borrowings	
		2016 Financing Agreement	
For the Year Ending June 30		Principal	Interest
2026		\$ 340,000	\$ 41,055
2027		345,000	32,321
2028		360,000	23,333
2029		360,000	14,153
2030		375,000	4,781
Total		\$ 1,780,000	\$ 115,643

Business-Type Activities:		Direct Borrowings					
		2017 Bank Loan		State Revolving Fund Loan		Compass Bank Loan	
For the Year Ending June 30		Principal	Interest	Principal	Interest	Principal	Interest
2026		\$ 780,686	\$ 166,774	\$ 505,970	\$ 97,376	\$ 429,456	\$ 59,544
2027		803,412	144,048	517,719	85,762	444,618	44,382
2028		826,800	120,660	529,740	73,878	460,316	28,684
2029		850,869	96,592	542,040	55,533	472,832	12,432
2030		875,638	71,823	554,626	24,344	-	-
2031-2033		1,828,490	66,433	1,449,203	68,975	-	-
Total		\$ 5,965,895	\$ 666,330	\$ 4,099,298	\$ 405,868	\$ 1,807,222	\$ 145,042

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

6. LOANS PAYABLE & OTHER LONG-TERM DEBT, Continued

C. Description of the City's Loans Payable & Other Long-Term Debt Issues

City Hall Loan - On June 1, 2016, the City entered into a financed purchase with the Lathrop Financing Authority (Authority) for the existing City Hall building, in the amount of \$4,190,000 with a 2.55% annual interest rate. On the same date, the Authority assigned its rights under the purchase agreement to Capital One Public Funding, LLC. The proceeds of the financed purchase obligation, together with available funds from the City, were used to advance refund the outstanding 2004 Obligation amounting to \$6,640,000. A total of \$6,787,680 was deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2004 Obligation. As a result, the 2004 Obligation was considered defeased and the liability for the 2004 Obligation has been removed from the Statement of Net Position as of June 30, 2016. On July 15, 2016, the 2004 Obligation was prepaid fully. This advance refunding reduced the City's total debt service payments over 15 years by \$2,901,765 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$950,783. Due to the timing of debt service payments on July 15th of each year, the City prepays the principal and interest.

The 2016 City Hall Financing Obligation is secured by the City Hall building at 390 Towne Centre Drive, Lathrop, California. The outstanding amount contains a provision that in an event of default, Lathrop Financing Authority may terminate the agreement, rent out all or any portion of the property, or hold the City liable for the payment of all base rental obligations and be reimbursed for any deficiency arising out of re-renting the property.

2017 Bank Loan - On May 18, 2017, the City entered into a loan agreement with Opus Bank, in the amount of \$11,455,000 with a 2.89% annual interest rate. The purpose of the loan proceeds was to refinance the 2003 Revenue Bonds. A total of \$11,328,241 was deposited into an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded 2003 Bonds. As a result, the 2003 Bonds were considered defeased and the liability for the 2003 Bonds had been removed from the Statement of Net Position as of June 30, 2017. On June 1, 2017, the 2003 Bonds were repaid fully. This refunding reduced the City's total debt service payments over 15 years by \$6,829,468 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,857,309. The interest and principal payments are due June 1 and December 1.

State Revolving Fund Loan - The City entered into an agreement with the California Department of Public Health in the amount of \$10,929,000. Funds are for the Water Supply Arsenic Reduction Project. Repayment of this loan started on January 1, 2013. Terms of the note include a twenty-year repayment period and a 2.3% interest rate. Principal and interest payments are paid semiannually. The City's net water system revenues have been pledged for the repayment of debt service on loan.

The State Revolving Fund Loan is secured by a promissory note. The outstanding loan amount contains a provision that in an event of default, the State can declare the City's obligation immediately due and payable.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

6. LOANS PAYABLE & OTHER LONG-TERM DEBT, Continued

C. Description of the City's Loans Payable & Other Long-Term Debt Issues, Continued

Compass Bank Loan - During fiscal year 2011-12, the City entered into a loan agreement with Compass Bank in the amount of \$6,203,000. The proceeds from the loan were used to refund the 2000A Certificates of Participation (2000A COPs). Interest on the Compass Loan is payable semi-annually on December 1 and June 1 of each year through the year 2029. Repayment of this loan started on December 1, 2012.

The 2017 Bank Loan and Compass Bank Loan are secured by a pledge of and lien on the net revenues of the Water System. The outstanding loan amount contains a provision that in an event of default, the loans will bear interest at the default rate, a rate of interest equal to the interest rate plus 3 percent and 5 percent, respectively, or the outstanding loan amount may become immediately due and payable.

For the fiscal year June 30, 2025, net revenues of the Water Enterprise Fund amounted to \$5,468,712 which represented coverage of 3.54 times the \$1,545,205 debt service on the 2017 Bank Loan and Compass Bank Loan.

7. SPECIAL ASSESSMENT/COMMUNITY FACILITY DISTRICT DEBT WITHOUT CITY COMMITMENT

Special Assessment Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts but has no direct or contingent liability or moral obligation for the payment of this debt. Therefore, this debt is not included as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2025 is as follows:

Mossdale Assessment District Refunding 2015	\$	4,005,000
Mossdale Village Refundings 2023 Series A		8,680,000
Crossroad Assessment District Series 2015		9,250,000
Joint Wastewater Project CFD 2003-2		4,180,000
Lathrop Sanitary Sewer Assessment District No. 1		130,000
Community Facilities District No. 2018-1		45,080,000

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

8. LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The City records several leases payable for tangible assets, as well as on software subscriptions (SBITAs).

Lease and SBITA agreements are summarized as follows:

Description	Date	Payment Terms	Annual Payment	Interest Rate	Balance June 30, 2025
Police cameras and tasers	Various, starting November 2021	3-5 years	123,152	0.00%	\$ 199,354
Camera software	Various, starting November 2021	3-5 years	125,728	0.00%	194,094
Integrated police software	3/13/2023	5 years	110,000	0.00%	220,000
Total Leases and SBITAs					<u>\$ 613,448</u>

Integrated police software - original subscription amount: \$550,000 - The software provided by Peregrine Technologies Inc. provides a real time data analysis and visualization systems that integrates data from a broad range of law enforcement software, including Computer Aided Dispatch (CAD) provided by RIMS, Records Management System (RMS) provided by RIMS, License Plate Readers (LPR) provided by Vigilant insight, and Flock Fleet 3, Video Management System (VMS) provided by Avigilon and Digital Evidence Management System (DEMS) provided by Evidence.com.

Police cameras and tasers, and related camera software - original lease amount: \$591,397, original subscription amount: \$598,082 - Axon Enterprises, Inc. provides body cameras, tasers and in car video equipment to the City's police force. The Axon system unifies the operation of body cameras, tasers and in car video and provides storage for all the data gathered from them. The system allows retrieval and use that complies with all legal requirements and is easily retrievable by all authorized personnel. The equipment will be maintained by Axon and will be replaced when necessary, avoiding the need for highly technical staff support and assuring the equipment remains functional and evidence produced will be legally viable. Axon also provides training and support for all their products leased by the City.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30	Principal	Interest
2026	\$ 358,880	\$ -
2027	254,568	-
	<u>\$ 613,448</u>	<u>\$ -</u>

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

9. FUND BALANCE

A. Minimum Fund Balance Policies

The City Council has established a fund balance reserve policy with the adoption of resolution 10-3102 that deemed it desirable for the City to retain a contingency reserve level of 50% of the adjusted appropriation for any given year. The reserve balance shall not be reduced below 10% of the General Fund's adjusted appropriations. The contingency reserve is allocated to two categories: Economic Uncertainty Reserve, and Exposure and Emergency Reserves.

The Economic Uncertainty Reserve consists of 75% of the Contingency Reserve Balance. It is maintained to minimize the effects of major economic uncertainties, including local disasters, State budget deficits and other severe financial hardships or unforeseen changes in revenues and/or expenditures and is available for budget stabilization. At June 30, 2025, the Economic Uncertainty Reserve amounted to \$5,284,153.

The Exposure and Emergency Reserves consist of 25% of the Contingency Reserve Balance. Exposure Reserves are maintained to minimize the immediate financial impact of potential costs not covered by the City's insurance program, such as claim costs within the City's deductibles, major costs associate with disasters and other events which will not be reimbursable by insurance, or Federal or State Government. Emergency Reserve is maintained to minimize all unforeseen events not covered in the Economic Uncertainty Reserve and Exposure Reserves. At June 30, 2025, the Exposure and Emergency Reserves amounted to \$1,761,384.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

9. FUND BALANCE, Continued

B. Fund Balances

Detailed classifications of the City's fund balances, as of June 30, 2025, are below:

	General Fund	Developer Projects	Capital Facilities Fee	Streets and Roads Capital Projects	General CIP Projects	Park in Lieu	Other Governmental Funds	Total
Nonspendables:								
Items not in spendable form:								
Advances to other funds	\$ 8,306,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,306,186
Prepays	22,034	-	-	-	-	-	-	22,034
Total Nonspendable	8,328,220	-	-	-	-	-	-	8,328,220
Restricted for:								
Recycling projects	-	-	-	-	-	-	2,118,646	2,118,646
Capital Projects	-	1,140,697	14,733,483	-	271,875	-	31,911,116	48,057,171
Public safety	-	-	-	-	7,178,274	-	23,603,546	30,781,820
Traffic and transportation	-	-	26,209,670	20,047,623	-	-	14,584,728	60,842,021
Parks and recreation	-	-	26,126,144	-	1,891,166	558,446	29,957	28,605,713
Streets and roads contracts	-	-	-	10,911,752	-	-	6,509,174	17,420,926
Measure K	-	-	-	-	-	-	505,021	505,021
Community improvements	-	-	-	-	-	-	188,680	188,680
Total Restricted	-	1,140,697	67,069,297	30,959,375	9,341,315	558,446	79,450,868	188,519,998
Committed to:								
Capital projects	-	-	-	-	6,647,172	-	-	6,647,172
Street reserves	5,052,634	-	-	1,131,407	-	-	-	6,184,041
Sidewalk reserves	1,200,000	-	-	84,000	-	-	-	1,284,000
Landscape reserves	3,060,368	-	-	-	-	-	-	3,060,368
Public safety	-	-	-	-	256,540	-	-	256,540
Parks and recreation	-	-	-	-	265,842	-	-	265,842
Retirement stability	5,700,000	-	-	-	-	-	-	5,700,000
Capital equipment	2,200,249	-	-	-	-	-	-	2,200,249
Corporation yard reserves	6,200,000	-	-	-	-	-	-	6,200,000
Measure C essential city services	6,507,903	-	-	-	1,593,517	-	-	8,101,420
Economic development	489,163	-	-	-	-	-	-	489,163
Total Committed	30,410,317	-	-	1,215,407	8,763,071	-	-	40,388,795
Unassigned:								
Contingency/emergency	7,045,537	-	-	-	-	-	-	7,045,537
Fiscal stabilization	5,750,000	-	-	-	-	-	-	5,750,000
Fund deficits	-	-	-	-	-	-	(1,506)	(1,506)
Residual fund balance	9,763,923	-	-	-	-	-	-	9,763,923
Total Unassigned	22,559,460	-	-	-	-	-	(1,506)	22,557,954
Total Fund Balances	\$ 61,297,997	\$ 1,140,697	\$ 67,069,297	\$ 32,174,782	\$ 18,104,386	\$ 558,446	\$ 79,449,362	\$ 259,794,967

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

9. FUND BALANCE, Continued

C. Encumbrances

The City utilized an encumbrance system during fiscal year 2025 to assist in controlling expenditures. Under this system, governmental funds are encumbered when purchase orders, contracts, or other commitments are signed or approved. The following are encumbrances at June 30, 2025, that will be carried over to the following fiscal year:

General Fund	\$	1,887,128
Streets and Roads Capital Project Fund		6,135,709
General CIP Projects		1,644,647
Non-Major Funds		499,841

10. PENSION PLAN

A. General Information about the Pension Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors 4 rate plans (3 miscellaneous and 1 safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members who must be public employees, and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

10. PENSION PLAN, Continued

A. General Information about the Pension Plan, Continued

The Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous		
	Classic	Tier 2	PEPRA
Hire Date	Prior to January 1, 2013	July 1, 2010 to December 31, 2012	After December 31, 2012
Benefit formula	2% 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payment	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	60	62
Monthly benefits, as a % of annual salary	2.00%	2.00%	2.00%
Required employee contribution rates	6.93%	6.93%	7.75%
Required employer contribution rates	11.88%	10.15%	7.87%
Required UAL payment	\$621,595	\$14,776	\$9,885

Safety - PEPRA	
On or after	
Hire Date	January 1, 2013
Benefit formula	2% @57
Benefit vesting schedule	5 years service
Benefit payment	Monthly for life
Retirement age	57
Monthly benefits, as a % of annual salary	2.70%
Required employee contribution rates	14.50%
Required employer contribution rates	14.72%
Required UAL payment	\$1,331

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2024, the City's total contributions to the Plan were \$2,013,295.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2025, the City reported a net pension liability for its proportionate share of the net pension liability (asset) of the Plan of \$8,982,438.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

10. PENSION PLAN, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The City's net pension liability for the Plan is measured as the proportionate share of the total pension liability for the Plan. The net pension liability of the Plan is measured as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's proportionate share of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for the Plan as of the measurement dates June 30, 2024 and 2023 were as follows:

Proportion - June 30, 2023	0.07263%
Proportion - June 30, 2024	0.07407%
Change - Increase (Decrease)	<u>0.00144%</u>

For the year ended June 30, 2025, the City recognized pension expense of \$2,708,256. At June 30, 2025 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,684,725	\$ -
Changes in assumptions	230,866	-
Differences between actual and expected experience	776,607	30,302
Changes in employer's proportion	401,610	-
Difference in proportionate share of contributions	988,657	53,004
Net difference projected and actual investment earnings	517,096	-
Total	<u>\$ 5,599,561</u>	<u>\$ 83,306</u>

\$2,684,725 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30	Annual Amortization
2026	\$ 1,120,525
2027	1,649,401
2028	238,807
2029	(177,203)

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

10. PENSION PLAN, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

Actuarial Assumptions - For the measurement period ended June 30, 2024, the total pension liability was determined using the following assumptions:

Valuation date	June 30, 2023
Measurement date	June 30, 2024
Actuarial cost method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.30%
Projected salary increase	Varies by Entry Age and Service
Mortality rate table (1)	Derived using CalPERS Membership Data for all Funds
Post retirement benefit increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies 2.30% thereafter.

(1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvements using 80% of Scale MP 2020 published by Society of Actuaries. For more details on this table, please refer to the December 2021 experience study report that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2024 for the Plan was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. A detailed report testing these projections can be obtained from the CalPERS website.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

10. PENSION PLAN, Continued

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions, Continued

The expected real rate of return by asset class are as follows:

Asset Class	Current Target Allocation	Real Return (a, b)
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100%	

(a) - An expected inflation of 2.30% used for this period.

(b) - Figures are based on the 2021-22 Asset Liability Management study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.90%) or 1-percentage point higher (7.90%) than the current rate:

1% Decrease	5.90%
Net Pension Liability	\$ 15,179,477
Current Discount Rate	6.90%
Net Pension Liability	\$ 8,982,438
1% Increase	7.90%
Net Pension Liability	\$ 3,882,516

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

At June 30, 2025, the City reported a payable of \$56,559 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2025.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

11. OTHER POST - EMPLOYMENT BENEFITS

A. General Information about the City's Other Post - Employment Benefit (OPEB) Plan

Plan Description - The City's Post - Employment Benefit Plan is an agent multiple-employer defined benefit OPEB plan.

By resolution and through agreements with its labor units, the City provides certain health care benefits for retired employees. The City in the CalPERS health care plan, which is governed under the California Public Employees Health and Medical Care Act (PEMCHA). The City also participates in the California Employers Retirees Benefit Trust (CERBT), an irrevocable trust established to fund OPEB. CERBT is an agent multiple-employer defined benefit other postemployment benefits plan administered by CalPERS, and is managed by an appointed board not under the control of the City Council. CERBT consists of participating employers of the State of California and public agencies. Individual employers may establish more than one plan.

The CERBT was established by Chapter 331 of the 1988 California Statutes, and employers elect to participate in the CERBT to pre-fund health, dental, and other non-pension postemployment benefits for their retirees and survivors. The CERBT has pooled administrative and investment functions, while separate employer accounts are maintained to prefund and pay for health care or other postemployment benefits in accordance with the terms of the participating employers' plans. There are three CalPERS Board approved investment strategies for employers to choose from depending on their expected levels of return and volatility. Benefit provisions are established by participating employers.

The CERBT Trust is not considered a component unit by the City and has been excluded from these financial statements. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, California 94229-2709.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

A. General Information about the City's Other Post - Employment Benefit (OPEB) Plan, Continued

Benefits Provided - The following is a summary of Plan benefits by employee group as of June 30, 2025:

Tier	Hire Date	Retirement Date	Eligibility	Benefit Prior to Retiree's (or Surviving Spouse's) Eligibility for Medicare	Benefit After Retiree's (or Surviving Spouse's) Eligibility for Medicare
1	Before 7/1/2014	On or before 12/31/2014	Age 50 within 5 years of PERS service	Benefit according to previous Unequal PEMHCA Resolution (i.e., no change for this group). 100% of premium for the retiree and any eligible covered dependents, up to \$1,536 per month in 2018, increasing by \$100 each calendar year until such time as it is equal to active employee per month in each City contribution.	
2	Before 7/1/2014	After 12/31/2014	Age 50 within 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 within 5 years of PERS service	100% of the premium for retiree plus one up to the monthly cap for active employees*	
2	After 7/1/2014	Any	Age 50 within 5 years of PERS service	PEMHCA Minimum Employer Contribution (MEC)	PEMHCA Minimum Employer Contribution (MEC)
			Age 55 within 5 years of PERS service	100% of the premium for retiree and dependants, up to the following percentages of the monthly cap for active employees* 5 years of service: 25% 10 years of service: 50% 15 years of service: 100%	

* In 2025, the City contributed a maximum of \$2,093 per month toward medical coverage for active employees and their dependents. This amount will increase annually by 50% of premium increase for the median cost medical plan, not to exceed 5.5% per year.

For the measurement period ended June 30, 2024, the City's contributions to the Plan were \$342,016, which were comprised of contributions to the trust of \$220,192 and implicit subsidy payments of \$121,824.

Employees Covered by Benefit Terms - Membership in the plan consisted of the following at the valuation date of June 30, 2023:

Active Employees	141
Inactive employees or beneficiaries currently receiving benefits	26
Inactive employees entitled to but not yet receiving benefits	11
Total	<u>178</u>

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

B. Net OPEB Liability

Actuarial Methods and Assumptions - The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation dated June 30, 2023. These are the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost, level percent of pay
Actuarial Assumptions:	
Discount Rate	6.15%
Inflation	2.50%
Payroll Growth	3.00%
Investment Rate of Return	6.15%
Mortality Improvement	MacLeod Watts Scale 2022 applied generationally from 2017
Healthcare Trend Rate	9.0% in 2025, then 6.0% decreasing to 3.9% in 2075 and later

Demographic actuarial assumptions used in this valuation are based on the 2021 experience study of the California Public Employees Retirement System using data from 1997 to 2019, except for a different basis used to project future mortality improvements.

CalPERS last updated the projected future investment returns for CERBT Strategy 1 in June 2024. The returns were determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-5 and years 6 -20. The target allocation for each major asset class are summarized in the following table:

Asset Class	Target Allocation
Global Equity	49.00%
Fixed Income	23.00%
Real Estate Investment Trusts	20.00%
Treasury Inflation Protection Securities	5.00%
Commodities	3.00%
Total	100%

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

B. Net OPEB Liability, Continued

Discount Rate - The discount rate used to measure the total OPEB liability was 6.15%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

C. Changes in Net OPEB Liability

The changes in the total OPEB liability follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at Measurement Date 6/30/2023	\$ 6,734,194	\$ 5,212,364	\$ 1,521,830
Changes Recognized for the Measurement Period:			
Service Cost	800,533	-	800,533
Interest on the total OPEB liability	450,560	-	450,560
Investment income	-	309,107	(309,107)
Contributions from the employer	-	418,251	(418,251)
Changes in benefit terms	-	-	-
Administrative expenses	-	(1,704)	1,704
Other Expenses (one time)	-	-	-
Benefit payments	(417,092)	(417,092)	-
Changes of assumptions	-	-	-
Plan experience	-	-	-
Net changes	834,001	308,562	525,439
Balance at Measurement Date 6/30/2024	\$ 7,568,195	\$ 5,520,926	\$ 2,047,269

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

D. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.15%) or 1-percentage-point higher (7.15%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate	Discount Rate	Discount Rate
-1% (5.15%)	(6.15%)	+1% (7.15%)
\$ 2,860,789	\$ 2,047,269	\$ 1,350,521

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
Healthcare Cost Trend Rates		
1% Decrease	Current Rate	1% Increase
\$ 1,239,679	\$ 2,047,269	\$ 3,023,259

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2025, the City recognized OPEB expense of \$1,005,650. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$ 1,312,600	\$ -
Differences between actual and expected experience	-	265,588
Changes in assumptions	275,109	20,393
Net difference projected and actual earnings on plan investments	379,582	-
Total	\$ 1,967,291	\$ 285,981

\$1,312,600 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

11. OTHER POST - EMPLOYMENT BENEFITS, Continued

E. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ending June 30	Annual Amortization
2026	\$ 66,778
2027	267,821
2028	(7,690)
2029	14,850
2030	12,561
Thereafter	14,390

12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Central San Joaquin Valley Risk Management Authority (CSJVRMA), a public entity risk pool currently operating as a common risk management and insurance program for 55 cities. The purpose of CSJVRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense. The City is also a member of Employment Risk Management Authority (ERMA), which covers wrongful employment practices.

The City's deductibles and maximum coverage follows:

Coverage	Deductible	CSJVRMA	Excess Liability	ERMA
Workers compensation	\$ 25,000	\$ 500,000	Statutory Limits	\$ -
General liability	25,000	1,000,000	98,000,000	-
Property damage	5,000	100,000	-	-
Low value auto program	500	25,000	-	-
High value auto program	5,000	25,000 to 250,000	-	-
Employment practices liability	25,000	-	23,000,000	1,000,000

The City contributes its pro rata share of anticipated losses to a pool administered by CSJVRMA. Should actual losses among participants be greater than the anticipated losses, the City will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the City will be refunded its pro rata share of the excess. The City paid CSJVRMA premiums and ERMA premiums totaling \$3,565,937 during the fiscal year ended June 30, 2025. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

The City did not record a liability for outstanding claims at fiscal year-end, as the claims were minimal.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

13. COMMITMENTS AND CONTINGENCIES

The City participates in several Federal and State grant programs. These programs are subject to audits by the City's independent accountants in accordance with the provisions of the Federal Single Audit Act as amended and applicable State requirements. No cost disallowances have been proposed as a result of these audits. However, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

The City is subject to litigation arising in the normal course of business. These matters do not have a determined effect on the financial statements at this time.

14. RESTATEMENTS

During the fiscal year ended June 30, 2025, the City had various purposes for restatements. The City had a change in accounting principle. Three funds met the requirements to be reported as major during the year, whereas they were reported as nonmajor in fiscal year 2023-24. Lastly, the City made one error correction during the fiscal year.

A. *Change in Accounting Principle*

The City implemented GASB Statement 101 - Compensated Absences, which restated the beginning balances for the Governmental Activities, Business-Type Activities, Water Fund and Sewer Fund, due to the inclusion of sick leave in the liability.

B. *Correction of an Error in Previously Issued Financial Statements:*

The City determined that a liability, "due to other governments", had been incorrectly recorded in the Water fund since the fiscal year ended June 30, 2019. It was used as a temporary holding account for debt service and was not cleared out starting in fiscal year 2018-19. Expenses were incorrectly overstated in that year. Net position was incorrectly understated by \$298,787 since then.

C. *Table of Changes*

The tables on the following page display the prior fund balances and net positions at June 30, 2024, and the changes made as a result of accounting changes, error corrections and changes in reporting unit for funds moving from major to nonmajor.

City of Lathrop
Notes to Basic Financial Statements
For the Year Ended June 30, 2025

14. RESTATEMENTS, Continued

C. Table of Changes, Continued

	June 30, 2024, as previously reported	Change from nonmajor to major fund	June 30, 2024, as restated
Governmental Funds:			
Major Governmental Funds			
Developer Projects	\$ -	\$ 630,695	\$ 630,695
Streets and Roads Capital Projects Fund	-	21,831,610	21,831,610
Park in Lieu Capital Projects Fund	-	3,127,221	3,127,221
Nonmajor Governmental Funds	99,119,951	(25,589,526)	73,530,425
Total Governmental Funds	<u>\$ 99,119,951</u>	<u>\$ -</u>	<u>\$ 99,119,951</u>

	June 30, 2024, as previously reported	GASB 101 Implementation	Error Correction (Note A)	June 30, 2024, as restated
Proprietary Funds:				
Major Enterprise Funds				
Water Fund	\$ 111,280,762	\$ (26,428)	\$ 298,787	\$ 111,553,121
Sewer Fund	194,578,585	(13,959)	-	194,564,626
Internal Service Fund	-	(331,632)	-	(331,632)
Total Proprietary Funds	<u>\$ 305,859,347</u>	<u>\$ (372,019)</u>	<u>\$ 298,787</u>	<u>\$ 305,786,115</u>
Government-Wide:				
Governmental Activities	\$ 584,573,128	\$ (446,182)	\$ -	\$ 584,126,946
Business-Type Activities	305,859,347	(40,387)	298,787	306,117,747
Total Primary Government	<u>\$ 890,432,475</u>	<u>\$ (486,569)</u>	<u>\$ 298,787</u>	<u>\$ 890,244,693</u>

REQUIRED SUPPLEMENTARY INFORMATION

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2025

Cost-Sharing Multiple Employer Plan

Schedule of Proportionate Share of the Net Pension Liability - Last 10 Fiscal Years

Fiscal year reporting date	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Measurement date	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Proportion of the net pension liability	0.04556%	0.04980%	0.05243%	0.05269%
Proportionate share of the net pension liability	\$ 3,127,249	\$ 4,309,662	\$ 5,199,968	\$ 5,077,307
Covered payroll	\$ 4,364,310	\$ 5,148,017	\$ 5,568,372	\$ 6,004,176
Proportionate share of the net pension liability as percentage of covered payroll	71.66%	83.71%	93.38%	84.56%
Plan's (PERF-C) fiduciary net position as a percentage of the total pension liability	78.40%	74.06%	73.31%	75.26%

Notes to the schedule:

The CalPERS discount rate was increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018, and then decreased from 7.15% to 6.9% in fiscal year 2023.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
0.05586%	0.05897%	0.05487%	0.06897%	0.07263%	0.07407%
\$ 5,723,799	\$ 6,416,539	\$ 2,967,660	\$ 7,966,383	\$ 9,061,319	\$ 8,982,438
\$ 6,384,728	\$ 6,808,162	\$ 7,021,189	\$ 8,113,507	\$ 12,345,922	\$ 16,478,751
89.65%	94.25%	42.27%	98.19%	73.40%	54.51%
75.26%	75.10%	88.29%	76.68%	76.21%	78.08%

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2025

Cost Sharing Multiple Employer Plan
Schedule Of Plan Contributions - Last 10 Fiscal Years

Miscellaneous Rate Plan	2016	2017	2018	2019
Actuarially determined contribution	\$ 369,225	\$ 434,033	\$ 465,746	\$ 766,989
Contributions in relation to actuarially determined contributions	(369,225)	(434,033)	(465,746)	(766,989)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,148,017	\$ 5,568,372	\$ 6,004,176	\$ 6,384,728
Contributions as a percentage of covered payroll	7.17%	7.79%	7.76%	12.01%

Note to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required contribution):	6/30/2013	6/30/2014	6/30/2015	6/30/2016
Actuarial cost method:	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)	(1)
Assets valuation method	Market Value	Market Value	Market Value	Market Value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment rate of return	7.50%	7.50%	7.50%	7.375%
Retirement age	(3)	(3)	(3)	(3)
Mortality	(4)	(4)	(4)	(4)

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) 50 for all plans, with the exception of 52 for Miscellaneous PEPPRA 2%@62

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

2020	2021	2022	2023	2024	2025
\$ 917,576	\$ 1,062,215	\$ 1,200,271	\$ 2,013,295	\$ 2,295,039	\$ 2,684,725
(917,576)	(1,062,215)	(1,200,271)	(2,013,295)	(2,295,039)	(2,684,725)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 6,808,162	\$ 7,021,189	\$ 8,113,507	\$ 12,345,922	\$ 16,478,751	\$ 18,548,334
13.48%	15.13%	14.79%	16.31%	13.93%	14.47%

6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)	Entry Age (1)
Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
2.63%	2.50%	2.50%	2.50%	2.30%	2.30%
(2)	(2)	(2)	(2)	(2)	(2)
7.25%	7.00%	7.00%	7.00%	6.80%	6.80%
(3)	(3)	(3)	(3)	(3)	(3)
(4)	(4)	(4)	(4)	(4)	(4)

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2025

Schedule of Changes in the Net OPEB Liability and Related Ratios - Last 10 Fiscal Years*

Fiscal year End	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Total OPEB Liability				
Service cost	\$ 228,075	\$ 231,377	\$ 238,897	\$ 247,448
Interest on the total OPEB liability	366,257	359,416	378,925	372,499
Differences between expected and actual experience	(430,189)	-	(134,660)	-
Changes of assumptions	42,010	-	(62,441)	-
Benefit payments	(299,940)	(314,423)	(324,785)	(404,342)
Net change in the total OPEB liability	(93,787)	276,370	95,936	215,605
Total OPEB liability - beginning	5,154,131	5,060,344	5,336,714	5,432,650
Total OPEB liability - ending (a)	\$ 5,060,344	\$ 5,336,714	\$ 5,432,650	\$ 5,648,255
Plan Fiduciary Net Position				
Contribution - employer	\$ 471,077	\$ 495,719	\$ 459,510	\$ 486,383
Net investment income	307,578	276,193	230,777	151,173
Benefit payments	(299,940)	(314,423)	(324,785)	(404,342)
Other expense	-	(4,582)	-	-
Administrative expense	(1,576)	(1,813)	(825)	(2,094)
Net change in plan fiduciary net position	-	451,094	364,677	231,120
Plan fiduciary net position - beginning	2,984,872	3,462,011	3,913,105	4,277,782
Plan fiduciary net position - ending (b)	\$ 2,984,872	\$ 3,913,105	\$ 4,277,782	\$ 4,508,902
Net OPEB Liability - ending (a) - (b)	\$ 2,075,472	\$ 1,423,609	\$ 1,154,868	\$ 1,139,353
Plan fiduciary net position as a percentage of the total OPEB liability	58.99%	73.32%	78.74%	79.83%
Covered-employee payroll	\$ 5,982,337	\$ 6,377,387	\$ 6,358,722	\$ 6,549,484
Net OPEB liability as a percentage of covered-employee payroll	34.69%	22.32%	18.16%	17.40%
Assumptions used to develop the results are shown below:				
Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Discount Rate	7.00%	7.00%	6.80%	6.80%
Valuation Date	6/30/2017	6/30/2019		
Actuarial Cost method	Entry Age Normal	Entry Age Normal		
Amortization method:	Closed 30 years	Closed 30 years		
Assets valuation method	Market Value	Market Value		
Inflation	2.75%	2.50%		
Healthcare cost trend rates	7.5% in Jan 2019, step down .5% per year to 5.0% by 2024	5.4% in Jan 2021, Fluctuates down to 4.0% by 2076		
Salary Increases	3.25%	3%		
Discount Rate	7.00%	6.80%		
Retirement age	From 50 to 75	From 50 to 75		
Mortality	2014 CalPERS Experience	2017 CalPERS Experience		
Mortality Improvement	MacLeod Watts Scale 2017	MacLeod Watts Scale 2018		

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

6/30/2022	6/30/2023	6/30/2024	6/30/2025
\$ 254,871	\$ 301,667	\$ 310,717	\$ 800,533
388,811	374,645	395,339	450,560
94,590	-	(203,641)	-
-	-	231,797	-
(370,644)	(351,661)	(340,552)	(417,092)
367,628	324,651	393,660	834,001
5,648,255	6,015,883	6,340,534	6,734,194
<u>\$ 6,015,883</u>	<u>\$ 6,340,534</u>	<u>\$ 6,734,194</u>	<u>\$ 7,568,195</u>

\$ 435,828	\$ 517,163	\$ 342,016	\$ 418,251
308,766	(1,030,633)	311,004	309,107
(370,644)	(351,661)	(340,552)	(417,092)
886,742	-	-	-
(1,642)	(1,453)	(1,472)	(1,704)
1,259,050	(866,584)	310,996	308,562
4,508,902	5,767,952	4,901,368	5,212,364
<u>\$ 5,767,952</u>	<u>\$ 4,901,368</u>	<u>\$ 5,212,364</u>	<u>\$ 5,520,926</u>
<u>\$ 247,931</u>	<u>\$ 1,439,166</u>	<u>\$ 1,521,830</u>	<u>\$ 2,047,269</u>

95.88%	77.30%	77.40%	72.95%
\$ 7,838,544	\$ 9,931,244	\$ 15,989,632	\$ 18,558,796
3.16%	14.49%	9.52%	11.03%

6/30/2021	6/30/2022	6/30/2023	6/30/2024
6.10%	6.10%	6.15%	6.15%

6/30/2021	6/30/2023
Entry Age Normal	Entry Age Normal
Closed 30 years	Closed 30 years
Market Value	Market Value
2.50%	2.50%
5.8% in Jan 2023, decreasing to 3.9% by 2076	9.0% in 2025, decreasing to 3.9% by 2075
3%	3%
6.10%	6.10%
From 50 to 75	From 50 to 75
CalPERS 2021 Experience	CalPERS 2021 Experience
MacLeod Watts Scale 2022	MacLeod Watts Scale 2022

City of Lathrop
Required Supplementary Information
For the year ended June 30, 2025

*Schedule of OPEB Contributions - Last 10 Fiscal Years**

Fiscal Year Ended	2018	2019	2020	2021	2022
Actuarially determined contribution	\$ 389,509	\$ 359,460	\$ 369,969	\$ 361,138	\$ 368,885
Contributions in relation to actuarially determined contributions	(495,719)	(459,510)	(396,085)	(435,828)	(517,163)
Contribution deficiency (excess)	<u>\$ (106,210)</u>	<u>\$ (100,050)</u>	<u>\$ (26,116)</u>	<u>\$ (74,690)</u>	<u>\$ (148,278)</u>
Covered employee payroll	\$ 6,377,387	\$ 6,358,722	\$ 6,549,484	\$ 7,838,544	\$ 9,931,244
Contributions as a percentage of covered employee payroll	6.11%	5.65%	5.65%	4.61%	3.71%

* Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

Notes to Schedule - assumptions used to develop Actuarially determined contribution

Valuation Data	7/1/2015	6/30/2017	6/30/2019
Actuarial Cost method	Entry Age Normal Level % of pay	Entry Age Normal Level % of pay	Entry Age Normal Level % of pay
Amortization method:	Closed 30 Years	Closed 30 Years	Closed 30 Years
Amortization Period:	23 Yrs remain	22 Yrs remain 21 Yrs remain	20 Yrs remain 19 Yrs remain
Assets valuation method	Market Value	Market Value	Market Value
Inflation	2.75%	2.75%	2.50%
Healthcare cost trend rates	7.5% in Jan 2017, step down to .5% per year to 4.5% by 2023	7.5% in Jan 2019, step down to .5% per year to 5.0% by 2024	5.4% in Jan 2021, fluctuates down to 4.0% by 2076
Salary Increases	3.25%	3.25%	3.00%
Investment rate of return	7.00%	7.00%	6.70%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	2014 CalPERS Experience Study	2014 CalPERS Experience Study	2017 CalPERS Experience Study
Mortality Improvement	MacLeod Watts Scale 2014	MacLeod Watts Scale 2017	MacLeod Watts Scale 2018

2023	2024	2025
\$ 405,006	\$ 418,251	\$ 1,043,710
(405,006)	(418,251)	(1,312,600)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (268,890)</u>
\$ 15,989,632	\$ 18,558,796	\$ 21,278,085
2.53%	2.25%	4.91%

6/30/2021	6/30/2023
Entry Age Normal Level % of pay	Entry Age Normal
Closed 30 Years	Closed 30 Years
18 Yrs remain	16 Yrs remain
Market Value	Market Value
2.50%	2.50%
5.8% in 2023 decreasing to 3.9% by 2076	6% in 2026 decreasing to 3.9% by 2075
3.00%	3.00%
6.10%	6.15%
From 50 to 75	From 50 to 75
2017 CalPERS Experience Study	2021 CalPERS Experience Study
MacLeod Watts Scale 2022	MacLeod Watts Scale 2022

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 27,740,000	\$ 29,240,000	\$ 33,360,814	\$ 4,120,814
Licenses and permits	292,306	292,306	273,823	(18,483)
Intergovernmental	3,860,000	4,160,000	4,997,918	837,918
Charges for services	526,494	573,157	641,286	68,129
Use of money and property	304,964	268,832	2,892,857	2,624,025
Fines and forfeitures	100,400	100,400	135,358	34,958
Miscellaneous	413,800	413,800	265,519	(148,281)
Total revenues	33,237,964	35,048,495	42,567,575	7,519,080
EXPENDITURES:				
Current:				
General government				
City council	80,160	311,630	301,462	10,168
City manager	1,071,421	1,497,177	1,467,619	29,558
City clerk	449,491	527,422	480,297	47,125
City attorney	852,236	869,552	861,476	8,076
Personnel	806,837	803,743	801,587	2,156
Central services	1,836,490	2,265,267	2,316,107	(50,840)
Finance	2,003,313	2,147,699	2,147,698	1
Information technology	3,549,668	4,667,725	4,467,269	200,456
Measure C	850,498	1,027,374	836,955	190,419
Total general government	11,500,114	14,117,589	13,680,470	437,119
Public safety				
Administration	3,617,057	1,861,890	1,734,479	127,411
	-	891,273	840,684	50,589
Community services	1,548,594	1,186,585	1,181,147	5,438
Operations	7,254,754	8,777,051	8,423,028	354,023
Support	2,256,863	3,332,713	3,187,361	145,352
Total public safety	14,677,268	16,049,512	15,366,699	682,813
Community development				
Planning	1,018,558	1,278,697	1,076,039	202,658
Total community development	1,018,558	1,278,697	1,076,039	202,658

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Fund, continued

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Culture and leisure				
Administration	503,015	505,505	470,578	34,927
Senior center	164,894	194,445	185,947	8,498
Recreation programs	99,554	139,254	135,458	3,796
Special events	239,688	289,178	263,172	26,006
Youth development	391,904	366,178	321,752	44,426
Sports	356,766	356,266	310,373	45,893
Facilities and library	223,852	235,962	202,160	33,802
City hall	418,641	-	-	-
Building maintenance	407,725	-	-	-
Park and landscape maintenance	1,353,673	-	-	-
Total culture and leisure	4,159,712	2,086,788	1,889,440	197,348
Public works				
Administration	798,128	1,005,291	749,375	255,916
Building maintenance	-	499,825	423,450	76,375
City hall	-	618,576	477,186	141,390
Parks and landscape maintenance	-	2,247,577	1,147,636	1,099,941
Utility engineering	265,250	314,355	282,168	32,187
Total public works	1,063,378	4,685,624	3,079,815	1,605,809
Capital outlay	330,000	4,183,355	3,140,389	1,042,966
Debt service:				
Principal retirement	330,000	330,000	330,000	-
Lease principal retirement	-	591,563	591,563	-
Interest and fiscal charges	49,600	49,598	49,598	-
Total expenditures	33,128,630	43,372,726	39,204,013	4,168,713
REVENUES OVER (UNDER)				
EXPENDITURES	109,334	(8,324,231)	3,363,562	11,687,793
OTHER FINANCING SOURCES (USES):				
Transfers in	10,618,080	11,286,883	8,342,914	(2,943,969)
Transfers out	(7,185,410)	(15,511,623)	(12,784,701)	2,726,922
Lease and software subscription issuance	-	-	322,790	322,790
Proceeds from sale of capital assets	-	-	8,415	8,415
Total other financing sources (uses)	3,432,670	(4,224,740)	(4,110,582)	114,158
Net change in fund balances	\$ 3,542,004	\$ (12,548,971)	(747,020)	\$ 11,801,951
FUND BALANCES:				
Beginning of year			62,045,017	
End of year			\$ 61,297,997	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Developer Projects

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 512,182	\$ 512,182
Developer participation	300,000	40,591,378	23,909,629	(16,681,749)
Total revenues	300,000	40,591,378	24,421,811	(16,169,567)
REVENUES OVER (UNDER)				
EXPENDITURES	300,000	40,591,378	24,421,811	(16,169,567)
OTHER FINANCING SOURCES (USES):				
Transfers out	(304,830)	(40,678,748)	(23,911,809)	16,766,939
Total other financing sources (uses)	(304,830)	(40,678,748)	(23,911,809)	16,766,939
Net change in fund balances	\$ (4,830)	\$ (87,370)	510,002	\$ 597,372
FUND BALANCES:				
Beginning of year			-	
Restatement			630,695	
Beginning of year, as restated			630,695	
End of year			<u>\$ 1,140,697</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Capital Facility Fees

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 28,760,793	\$ 28,760,793	\$ 17,336,960	\$ (11,423,833)
Use of money and property	-	-	3,339,679	3,339,679
Miscellaneous	-	-	563,022	563,022
Total revenues	28,760,793	28,760,793	21,239,661	(7,521,132)
EXPENDITURES:				
Current:				
Public works	243,763	943,763	-	943,763
Total expenditures	243,763	943,763	-	943,763
REVENUES OVER (UNDER)				
EXPENDITURES	28,517,030	27,817,030	21,239,661	(6,577,369)
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,483,006)	(2,686,525)	(2,686,523)	2
Total other financing sources (uses)	(3,483,006)	(2,686,525)	(2,686,523)	2
Net change in fund balances	\$ -	\$ -	18,553,138	\$ 18,553,138
FUND BALANCES:				
Beginning of year			48,516,159	
End of year			\$ 67,069,297	

City of Lathrop
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

BUDGETS AND BUDGETARY ACCOUNTING

The City establishes annual budgets for the General and certain special revenue funds, which are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The budgets for the General and certain special revenue funds are the only legally adopted budgets. Budgets for the capital project funds are used for management and control purposes only. All appropriations remaining at fiscal year-end lapse. Budgeted amounts are reflected after all applicable amendments and revisions.

The legal level of control (level at which expenditures may not legally exceed budget appropriations) is at the department level. If the expenditures exceed the appropriations, the City Manager is authorized to transfer budgeted amounts between the line items within any department or between divisions within the department.

During the fiscal year, the City made a number of supplemental budget amendments totaling \$134,001,661 in revenues and \$239,899,172 in expenditures.

ADOPTED BUDGETS

For the fiscal year ending June 30, 2025, the Public Nuisance, the Historic Lathrop Loan Program (HLLP), the North Lathrop Transportation, the Lathrop Land Acquisitions, the Stewart Economic Dev Fee 80%, and the TOT Trust Special Revenue Funds did not adopt an annual budget.

SUPPLEMENTARY INFORMATION

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City of Lathrop
General Fund
Year Ended June 30, 2025

The general Fund is the City's primary Operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund is comprised of the following:

GENERAL PURPOSE FUND

This fund accounts for all financial resources except those to be accounted for in another fund. It is the general operating fund of the City.

ECONOMIC DEVELOPMENT FUND

To account for small business assistance grants approved by Council. The fund was reactivated in fiscal year 2020 due to the impacts of COVID-19.

MEASURE C ESSENTIAL CITY SERVICES FUND

To account for revenue and expenditures for the city's Measure C Essential City Services portion.

City of Lathrop
Combining Balance Sheet
General Funds
For the year ended June 30, 2025

	General Purpose Fund	Economic Development	Measure C	Total General Funds
ASSETS				
Cash and investments	\$ 46,173,740	\$ 488,058	\$ 4,649,185	\$ 51,310,983
Receivables:				
Accounts (net of allowance for uncollectibles)	2,217,535	1,105	1,869,515	4,088,155
Accrued interest	93,859	-	16,971	110,830
Prepays	22,034	-	-	22,034
Advances to other funds	8,306,186	-	-	8,306,186
Total assets	\$ 56,813,354	\$ 489,163	\$ 6,535,671	\$ 63,838,188
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 1,138,679	\$ -	\$ 27,768	\$ 1,166,447
Accrued liabilities	149,466	-	-	149,466
Unearned revenue	243,306	-	-	243,306
Deposits payable	924,354	-	-	924,354
Total liabilities	2,455,805	-	27,768	2,483,573
Fund Balances:				
Nonspendable	8,328,220	-	-	8,328,220
Committed	23,413,251	489,163	6,507,903	30,410,317
Unassigned	22,559,460	-	-	22,559,460
Total fund balances	54,300,931	489,163	6,507,903	61,297,997
Total liabilities, deferred inflows of resources and fund balances	\$ 56,813,354	\$ 489,163	\$ 6,535,671	\$ 63,838,188

City of Lathrop

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances

General Funds

For the year ended June 30, 2025

	General Purpose Fund	Economic Development	Measure C	Intrafund Transactions Elimination	Total General Funds
REVENUES:					
Taxes and assessments	\$ 23,271,143	\$ -	\$ 10,089,671	\$ -	\$ 33,360,814
Licenses and permits	273,823	-	-	-	273,823
Intergovernmental	4,997,918	-	-	-	4,997,918
Charges for services	641,286	-	-	-	641,286
Use of money and property	2,508,832	23,746	360,279	-	2,892,857
Fines and forfeitures	135,358	-	-	-	135,358
Miscellaneous	265,519	-	-	-	265,519
Total revenues	32,093,879	23,746	10,449,950	-	42,567,575
EXPENDITURES:					
Current:					
General government	12,843,515	-	836,955	-	13,680,470
Public safety	15,366,699	-	-	-	15,366,699
Community development	1,076,039	-	-	-	1,076,039
Culture and leisure	1,889,440	-	-	-	1,889,440
Public works	3,079,815	-	-	-	3,079,815
Capital outlay	3,140,389	-	-	-	3,140,389
Debt service:					
Principal retirement	330,000	-	-	-	330,000
Lease principal retirement	591,563	-	-	-	591,563
Interest and fiscal charges	49,598	-	-	-	49,598
Total expenditures	38,367,058	-	836,955	-	39,204,013
REVENUES OVER (UNDER)					
EXPENDITURES	(6,273,179)	23,746	9,612,995	-	3,363,562
OTHER FINANCING SOURCES (USES):					
Transfers in	10,597,780	-	-	(2,254,866)	8,342,914
Transfers out	(6,095,903)	-	(8,943,664)	2,254,866	(12,784,701)
Lease and software subscription issuance	322,790	-	-	-	322,790
Proceeds from sale of capital assets	8,415	-	-	-	8,415
Total other financing sources (uses)	4,833,082	-	(8,943,664)	-	(4,110,582)
Net change in fund balances	(1,440,097)	23,746	669,331		(747,020)
FUND BALANCES:					
Beginning of year	55,741,028	465,417	5,838,572	-	62,045,017
End of year	\$ 54,300,931	\$ 489,163	\$ 6,507,903	\$ -	\$ 61,297,997

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Purpose Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 17,440,000	\$ 18,940,000	\$ 23,271,143	\$ 4,331,143
Licenses and permits	292,306	292,306	273,823	(18,483)
Intergovernmental	3,860,000	4,160,000	4,997,918	837,918
Charges for services	526,494	573,157	641,286	68,129
Use of money and property	254,964	218,832	2,508,832	2,290,000
Fines and forfeitures	100,400	100,400	135,358	34,958
Miscellaneous	413,800	413,800	265,519	(148,281)
Total revenues	22,887,964	24,698,495	32,093,879	7,395,384
EXPENDITURES:				
Current:				
General government				
City council	80,160	311,630	301,462	10,168
City manager	1,071,421	1,497,177	1,467,619	29,558
City clerk	449,491	527,422	480,297	47,125
City attorney	852,236	869,552	861,476	8,076
Personnel	806,837	803,743	801,587	2,156
Central services	1,836,490	2,265,267	2,316,107	(50,840)
Finance	2,003,313	2,147,699	2,147,698	1
Information technology	3,549,668	4,667,725	4,467,269	200,456
Total general government	10,649,616	13,090,215	12,843,515	246,700
Public safety				
Administration	3,617,057	1,861,890	1,734,479	127,411
Animal Center	-	891,273	840,684	50,589
Community services	1,548,594	1,186,585	1,181,147	5,438
Operations	7,254,754	8,777,051	8,423,028	354,023
Support	2,256,863	3,332,713	3,187,361	145,352
Total public safety	14,677,268	16,049,512	15,366,699	682,813
Community development				
Planning	1,018,558	1,278,697	1,076,039	202,658
Total community development	1,018,558	1,278,697	1,076,039	202,658

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Purpose Fund, Continued

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
Culture and leisure				
Administration	503,015	505,505	470,578	34,927
Senior center	164,894	194,445	185,947	8,498
Recreation programs	99,554	139,254	135,458	3,796
Special events	239,688	289,178	263,172	26,006
Youth development	391,904	366,178	321,752	44,426
Sports	356,766	356,266	310,373	45,893
Facilities and library	223,852	235,962	202,160	33,802
City hall	418,641	-	-	-
Building maintenance	407,725	-	-	-
Park and landscape maintenance	1,353,673	-	-	-
Total culture and leisure	4,159,712	2,086,788	1,889,440	197,348
Public works				
Administration	798,128	1,005,291	749,375	255,916
Building maintenance	-	499,825	423,450	76,375
City hall	-	618,576	477,186	141,390
Parks and landscape maintenance	-	2,247,577	1,147,636	1,099,941
Utility engineering	265,250	314,355	282,168	32,187
Total public works	1,063,378	4,685,624	3,079,815	1,605,809
Capital outlay	330,000	4,155,445	3,140,389	1,015,056
Debt service:				
Principal retirement	330,000	330,000	330,000	-
Lease principal retirement	-	591,563	591,563	-
Interest and fiscal charges	49,600	49,598	49,598	-
Total expenditures	32,278,132	42,317,442	38,367,058	3,950,384
REVENUES OVER (UNDER)				
EXPENDITURES	(9,390,168)	(17,618,947)	(6,273,179)	11,345,768
OTHER FINANCING SOURCES (USES):				
Transfers in	10,618,080	11,286,883	10,597,780	(689,103)
Transfers out	(415,530)	(6,295,923)	(6,095,903)	200,020
Lease and software subscription issuance	-	-	322,790	322,790
Proceeds from sale of capital assets	-	-	8,415	8,415
Total other financing sources (uses)	10,202,550	4,990,960	4,833,082	(157,878)
Net change in fund balances	\$ 812,382	\$ (12,627,987)	(1,440,097)	\$ 11,187,890
FUND BALANCES:				
Beginning of year			55,741,028	
End of year			\$ 54,300,931	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Economic Development

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 23,746	\$ 23,746
Total revenues	-	-	23,746	23,746
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	23,746	23,746
Net change in fund balances	\$ -	\$ -	23,746	\$ 23,746
FUND BALANCES:				
Beginning of year			465,417	
End of year			\$ 489,163	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Measure C

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 10,300,000	\$ 10,300,000	\$ 10,089,671	\$ (210,329)
Use of money and property	50,000	50,000	360,279	310,279
Total revenues	10,350,000	10,350,000	10,449,950	99,950
EXPENDITURES:				
Current:				
General government				
City council	-	-	-	-
Measure C	850,498	1,027,374	836,955	190,419
Total general government	850,498	1,027,374	836,955	190,419
Capital outlay	-	27,910	-	27,910
Total expenditures	850,498	1,055,284	836,955	218,329
REVENUES OVER (UNDER)				
EXPENDITURES	9,499,502	9,294,716	9,612,995	318,279
OTHER FINANCING SOURCES (USES):				
Transfers out	(6,769,880)	(9,215,700)	(8,943,664)	272,036
Total other financing sources (uses)	(6,769,880)	(9,215,700)	(8,943,664)	272,036
Net change in fund balances	\$ 2,729,622	\$ 79,016	669,331	\$ 590,315
FUND BALANCES:				
Beginning of year			5,838,572	
End of year			<u>\$ 6,507,903</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Streets and Roads

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 1,109,486	\$ 1,109,486
Total revenues	-	-	1,109,486	1,109,486
EXPENDITURES:				
Current:				
Capital outlay	2,006,812	42,573,652	9,327,964	33,245,688
Total expenditures	2,006,812	42,573,652	9,327,964	33,245,688
REVENUES OVER (UNDER)				
EXPENDITURES	(2,006,812)	(42,573,652)	(8,218,478)	34,355,174
OTHER FINANCING SOURCES (USES):				
Transfers in	2,006,812	24,793,362	18,561,650	(6,231,712)
Total other financing sources (uses)	2,006,812	24,793,362	18,561,650	(6,231,712)
Net change in fund balances	\$ -	\$ (17,780,290)	10,343,172	\$ 28,123,462
FUND BALANCES:				
Beginning of year			-	
Restatement			21,831,610	
Beginning of year, as restated			21,831,610	
End of year			\$ 32,174,782	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General CIP Projects

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 860,657	\$ 860,657
Total revenues	-	-	860,657	860,657
EXPENDITURES:				
Current:				
Public works	-	-	(7,195)	7,195
Capital outlay	3,165,000	27,391,099	9,144,143	18,246,956
Total expenditures	3,165,000	27,391,099	9,136,948	18,254,151
REVENUES OVER (UNDER)				
EXPENDITURES	(3,165,000)	(27,391,099)	(8,276,291)	19,114,808
OTHER FINANCING SOURCES (USES):				
Transfers in	3,165,000	8,080,478	6,732,447	(1,348,031)
Total other financing sources (uses)	3,165,000	8,080,478	6,732,447	(1,348,031)
Net change in fund balances	\$ -	\$ (19,310,621)	(1,543,844)	\$ 17,766,777
FUND BALANCES:				
Beginning of year			19,648,230	
End of year			\$ 18,104,386	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Park in Lieu

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 170,985	\$ 170,985
Total revenues	-	-	170,985	170,985
EXPENDITURES:				
Current:				
Capital outlay	\$ -	\$ 2,739,800	\$ 2,739,760	\$ 40
Total expenditures	-	2,739,800	2,739,760	40
REVENUES OVER (UNDER)				
EXPENDITURES	-	(2,739,800)	(2,568,775)	171,025
Net change in fund balances	\$ -	\$ (2,739,800)	(2,568,775)	\$ 171,025
FUND BALANCES:				
Beginning of year			-	
Restatement			3,127,221	
Beginning of year, as restated			3,127,221	
End of year			\$ 558,446	

City of Lathrop
Non-Major Governmental Funds
Year Ended June 30, 2025

SPECIAL REVENUE FUNDS

These funds account for the proceeds derived from specific revenue sources that are legally restricted to expenditures for specified purposes.

BUILDING SAFETY & INSPECTION SPECIAL REVENUE FUND

This fund accounts for building safety and inspection permit fee revenue and activity.

DEVELOPMENT ENGINEERING SPECIAL REVENUE FUND

This fund accounts for the development engineering fee revenue and activity.

DEVELOPER DEPOSITS SPECIAL REVENUE FUND

This fund accounts for the activity relating to developer deposits for development projects ongoing within the City.

LANDSCAPE MAINTENANCE FUND

To account for revenues received and expenditures spent associated with specific park maintenance and operations of the Woodfield Landscape, Stonebridge Landscape and Mossdale Landscape Districts.

GAS TAX FUND

To account for revenues and expenditures apportioned to the City under the Streets and Highway Code, Sections 2105, 2106, 2107, and 2107.5 of the State of California. Expenditures for administration, maintenance, and construction must be street related.

TRAFFIC SAFETY FUND

To account for the fines and forfeitures received under Section 1463 of the Penal Code. These funds are restricted for the use of official traffic control devices and for some street construction purposes.

LOCAL STREET FUND

To account for revenues and expenditures for the City's street division.

PUBLIC NUISANCE FUND

To account for revenues and expenditures for code enforcement activities.

MEASURE K FUND

To account for revenues generated from a 2-cent sales tax for local street repairs. These funds are restricted for maintenance and construction on street-related projects.

TRANSIT LTF FUND

To account for local transportation funds received for transit purposes from the San Joaquin County Council of Governments.

City of Lathrop
Non-Major Governmental Funds
Year Ended June 30, 2025

SPECIAL REVENUE FUNDS, Continued

STREETS AND ROADS FUND

To account for local transportation funds received for street and road purposes from the San Joaquin County Council of Governments.

FEDERAL GRANT FUND

To account for federal grant expenditures and activity.

HISTORIC LATHROP LOAN PROGRAM (HLLP) FUND

To account for building permit loans granted to Historic Lathrop residences.

STORM DRAIN FUND

To account for revenues and expenditures related to the maintenance and operations of storm drains and improvements within the created district.

STREET LIGHT FUND

To account for revenues and expenditures associated with the maintenance and operations of the street lighting within the area known as City Zone 2, which is in the City Wide Landscaping and Lighting Assessment District.

AB939 RECYCLING FUND

To account for the financial resources associated with the preparation, implementation, and administration of the City's Integrated Solid Waste Management Plan in accordance with AB939.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUND

To account for the annual federal grant that provides for development of viable urban communities.

SCHOLARSHIP FUND

To account for the revenues provided by businesses/organizations to provide assistance with tuition of qualified parks and recreation participants.

COPS FUND

To account for local law enforcement grants funded by the office of Community Oriented Policing Services (COPS).

RTIF SAN JOAQUIN COUNTY FUND

To account for San Joaquin County's 10% share of Regional Traffic Impact Fees collected from builders.

RTIF LATHROP LOCAL WEST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the West side.

RTIF SJCOG FUND

To account for San Joaquin Council of Government's 15% share of Regional Traffic Impact Fees collected from builders.

City of Lathrop
Non-Major Governmental Funds
Year Ended June 30, 2025

SPECIAL REVENUE FUNDS, Continued

RTIF LATHROP LOCAL EAST FUND

To account for the City's 75% share of Regional Traffic Impact Fees collected from builders on the East side.

LATHROP MANTECA FIRE DISTRICT MEASURE C FUND

To account for revenues and expenditures associated with the sales tax collections specific from Measure C.

STATE GRANTS FUND

To account for revenues and expenditures associated with state grants.

NORTH LATHROP TRANSPORTATION CFF FUND

To account for capital facility fees collected for North Lathrop area.

CITYWIDE ECONOMIC DEVELOPMENT 20% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

RIVER ISLANDS CFD 2013-1 FUND

To account for revenue and expenditures related to the maintenance of the River Island community.

LATHROP LAND ACQUISITIONS FUND

To account for revenues and expenditures associated with the CLSP Community Facilities District 2006-1.

URBAN LEVEL OF FLOOD PROTECTION RECLAMATION DISTRICT (ULOP RD-17) LEVEE IMPACT FUND

To account for capital facility fees collected for the Urban Level of Flood Protection plan in the Reclamation District (RD) 17.

DEPARTMENT OF WATER RESOURCES (DWR) GRANT - URBAN LEVEL OF FLOOD PROTECTION (ULOP) PROJECT FUND

To account for revenues and expenditures associated with the Urban Level of Flood Protection plan.

CLSP OFF-SITE ROADWAY IMPROVEMENTS FUND

To account for improvements in the Central Lathrop Development.

SOUTH LATHROP CFD 2019-1 FUND

To account for revenue and expenditures related to the maintenance of South Lathrop.

CENTRAL LATHROP CFD 2019-2 FUND

To account for revenue and expenditures related to the maintenance of Central Lathrop.

**City of Lathrop
Non-Major Governmental Funds
Year Ended June 30, 2025**

SPECIAL REVENUE FUNDS, Continued

STEWART ECONOMIC DEVELOPMENT 80% CFF FUND

To account for capital facility fees, collected to support development both on and off the Stewart Tract, that will provide to the City and its citizens.

TOT TRUST FUND

To account for 1% of the 9% TOT from the City as a whole, to help finance regional infrastructure.

GATEWAY BUSINESS PARK

To account for the maintenance costs for the Lathrop Gateway Business Park and resulting Community Facilities District.

RIVER ISLANDS CFD 2023-1 FUND

To account for revenue and expenditures related to the maintenance of the River Island community.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are utilized to account for resources used for the acquisition and construction of capital facilities by the City, with the exception of those assets financed by proprietary funds.

STORM DRAIN FUND

To account for expenditures for storm drain capital projects.

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City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Building Safety & Inspection	Developer Engineering	Developer Deposits	Landscape Maintenance
ASSETS				
Cash and investments	\$ 22,192,107	\$ 17,728,410	\$ 1,978,935	\$ 3,289,034
Receivables:				
Accounts (net of allowance for uncollectibles)	-	-	741,807	-
Notes and loans	-	-	-	-
Accrued interest	49,504	39,370	5,069	9,318
Total assets	\$ 22,241,611	\$ 17,767,780	\$ 2,725,811	\$ 3,298,352
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 228,711	\$ 53,650	\$ 256,526	\$ 89,639
Deposits payable	101,893	-	1,749,826	-
Total liabilities	330,604	53,650	2,006,352	89,639
Deferred Inflows of Resources				
Unavailable revenue	-	-	52,137	-
Total deferred inflows of resources	-	-	52,137	-
Fund Balances:				
Restricted	21,911,007	17,714,130	667,322	3,208,713
Unassigned	-	-	-	-
Total fund balances	21,911,007	17,714,130	667,322	3,208,713
Total liabilities, deferred inflows of resources and fund balances	\$ 22,241,611	\$ 17,767,780	\$ 2,725,811	\$ 3,298,352

Special Revenue Funds

Gas Tax	Traffic Safety	Local Street	Public Nuisance	Measure K
\$ 1,495,737	\$ 183,364	\$ 1,688,476	\$ 11,459	\$ 283,951
173,095	1,791	7,430	-	220,098
-	-	-	-	-
3,174	409	3,227	26	972
<u>\$ 1,672,006</u>	<u>\$ 185,564</u>	<u>\$ 1,699,133</u>	<u>\$ 11,485</u>	<u>\$ 505,021</u>
\$ -	\$ -	\$ 100,854	\$ -	\$ -
-	-	-	-	-
-	-	100,854	-	-
-	-	-	-	-
-	-	-	-	-
1,672,006	185,564	1,598,279	11,485	505,021
-	-	-	-	-
<u>1,672,006</u>	<u>185,564</u>	<u>1,598,279</u>	<u>11,485</u>	<u>505,021</u>
<u>\$ 1,672,006</u>	<u>\$ 185,564</u>	<u>\$ 1,699,133</u>	<u>\$ 11,485</u>	<u>\$ 505,021</u>

City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Transit LTF	Streets and Roads	Federal Grant	Historic Lathrop Loan Program (HLLP)
ASSETS				
Cash and investments	\$ 1,792,805	\$ 1,413,046	\$ (551)	\$ 258,214
Receivables:				
Accounts (net of allowance for uncollectibles)	-	54,576	55,317	-
Notes and loans	-	-	-	20,350
Accrued interest	4,511	3,198	-	584
Total assets	\$ 1,797,316	\$ 1,470,820	\$ 54,766	\$ 279,148
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 29,247	\$ -	\$ -	\$ -
Deposits payable	-	-	-	-
Total liabilities	29,247	-	-	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	55,317	-
Total deferred inflows of resources	-	-	55,317	-
Fund Balances:				
Restricted	1,768,069	1,470,820	-	279,148
Unassigned	-	-	(551)	-
Total fund balances	1,768,069	1,470,820	(551)	279,148
Total liabilities, deferred inflows of resources and fund balances	\$ 1,797,316	\$ 1,470,820	\$ 54,766	\$ 279,148

Special Revenue Funds							
Storm Drain	Street Light	AB939 Recycling	Community Development Block Grant	Scholarship Fund	COPS	Office of Traffic and Safety	
\$ 436,713	\$ 1,419,042	\$ 2,108,435	\$ 6,422	\$ 28,324	\$ 408,686	\$ 862	
-	589	28,192	-	1,566	12,500	12,728	
-	-	-	-	-	-	-	
444	3,059	4,781	14	67	1,008	-	
<u>\$ 437,157</u>	<u>\$ 1,422,690</u>	<u>\$ 2,141,408</u>	<u>\$ 6,436</u>	<u>\$ 29,957</u>	<u>\$ 422,194</u>	<u>\$ 13,590</u>	

\$ 31,998	\$ 137,176	\$ 22,762	\$ -	\$ -	\$ 4,896	\$ -	
-	-	-	-	-	-	-	
31,998	137,176	22,762	-	-	4,896	-	
-	-	-	-	-	12,500	-	
-	-	-	-	-	12,500	-	
405,159	1,285,514	2,118,646	6,436	29,957	404,798	13,590	
-	-	-	-	-	-	-	
405,159	1,285,514	2,118,646	6,436	29,957	404,798	13,590	
<u>\$ 437,157</u>	<u>\$ 1,422,690</u>	<u>\$ 2,141,408</u>	<u>\$ 6,436</u>	<u>\$ 29,957</u>	<u>\$ 422,194</u>	<u>\$ 13,590</u>	

City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	RTIF San Joaquin County	RTIF Lathrop Local West	RTIF SJCOG	RTIF Lathrop Local East
ASSETS				
Cash and investments	\$ 248,963	\$ 10,840,983	\$ 373,432	\$ 1,723,886
Receivables:				
Accounts (net of allowance for uncollectibles)	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	458	23,805	685	3,894
Total assets	\$ 249,421	\$ 10,864,788	\$ 374,117	\$ 1,727,780
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 249,630	\$ 8,233	\$ 374,430	\$ -
Deposits payable	-	-	-	-
Total liabilities	249,630	8,233	374,430	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	-	10,856,555	-	1,727,780
Unassigned	(209)	-	(313)	-
Total fund balances	(209)	10,856,555	(313)	1,727,780
Total liabilities, deferred inflows of resources and fund balances	\$ 249,421	\$ 10,864,788	\$ 374,117	\$ 1,727,780

Special Revenue Funds						
LMFD Measure C	State Grants	North Lathrop Transportation	Citywide Economic Dev Fee 20%	River Islands CFD 2013-1	Lathrop Land Acquisitions	
\$ 1,087,851	\$ 9	\$ 704	\$ 3,377,077	\$ 168,868	\$ 2,013	
-	186,908	-	-	1,561,924	-	
-	-	-	-	-	-	
736	-	2	7,556	2,691	-	
<u>\$ 1,088,587</u>	<u>\$ 186,917</u>	<u>\$ 706</u>	<u>\$ 3,384,633</u>	<u>\$ 1,733,483</u>	<u>\$ 2,013</u>	
\$ -	\$ -	\$ -	\$ -	\$ 800	\$ (5)	
-	-	-	-	-	-	
-	-	-	-	800	(5)	
-	114,550	-	-	1,561,924	-	
-	114,550	-	-	1,561,924	-	
1,088,587	72,367	706	3,384,633	170,759	2,018	
-	-	-	-	-	-	
<u>1,088,587</u>	<u>72,367</u>	<u>706</u>	<u>3,384,633</u>	<u>170,759</u>	<u>2,018</u>	
<u>\$ 1,088,587</u>	<u>\$ 186,917</u>	<u>\$ 706</u>	<u>\$ 3,384,633</u>	<u>\$ 1,733,483</u>	<u>\$ 2,013</u>	

City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project	CLSP Off-Site Roadway Improvement	South Lathrop CFD 2019-1
ASSETS				
Cash and investments	\$ 537,583	\$ (1)	\$ 357,440	\$ 1,847,707
Receivables:				
Accounts (net of allowance for uncollectibles)	-	-	-	-
Notes and loans	-	-	-	-
Accrued interest	945	-	806	4,115
Total assets	\$ 538,528	\$ (1)	\$ 358,246	\$ 1,851,822
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 538,960	\$ -	\$ 184	\$ 25,907
Deposits payable	-	-	-	-
Total liabilities	538,960	-	184	25,907
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	-	-	358,062	1,825,915
Unassigned	(432)	(1)	-	-
Total fund balances	(432)	(1)	358,062	1,825,915
Total liabilities, deferred inflows of resources and fund balances	\$ 538,528	\$ (1)	\$ 358,246	\$ 1,851,822

Special Revenue Funds					Capital Projects Fund
Central Lathrop CFD 2019-2	Stewart Economic Dev Fee 80%	TOT Trust	Gateway Business Park	River Islands CFD 2023- 1	Storm Drain
\$ 1,899,201	\$ 104,140	\$ 1,421,648	\$ 451,022	\$ 45,807	\$ 1,001,140
-	-	-	-	-	-
-	-	-	-	-	-
4,092	343	3,218	977	56	3,957
<u>\$ 1,903,293</u>	<u>\$ 104,483</u>	<u>\$ 1,424,866</u>	<u>\$ 451,999</u>	<u>\$ 45,863</u>	<u>\$ 1,005,097</u>
\$ 89,845	\$ -	\$ -	\$ 892	\$ 63	\$ 52,979
-	84,000	-	-	-	-
89,845	84,000	-	892	63	52,979
-	-	-	-	-	-
-	-	-	-	-	-
1,813,448	20,483	1,424,866	451,107	45,800	952,118
-	-	-	-	-	-
<u>1,813,448</u>	<u>20,483</u>	<u>1,424,866</u>	<u>451,107</u>	<u>45,800</u>	<u>952,118</u>
<u>\$ 1,903,293</u>	<u>\$ 104,483</u>	<u>\$ 1,424,866</u>	<u>\$ 451,999</u>	<u>\$ 45,863</u>	<u>\$ 1,005,097</u>

City of Lathrop
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 82,212,944
Receivables:	
Accounts (net of allowance for uncollectibles)	3,058,521
Notes and loans	20,350
Accrued interest	187,071
Total assets	\$ 85,478,886
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 2,297,377
Deposits payable	1,935,719
Total liabilities	4,233,096
Deferred Inflows of Resources	
Unavailable revenue	1,796,428
Total deferred inflows of resources	1,796,428
Fund Balances:	
Restricted	79,450,868
Unassigned	(1,506)
Total fund balances	79,449,362
Total liabilities, deferred inflows of resources and fund balances	\$ 85,478,886

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City of Lathrop

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2025

	Special Revenue Funds			
	Developer Projects	Building Safety & Inspection	Developer Engineering	Developer Deposits
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	6,621,877	4,168,167	-
Use of money and property	-	986,013	825,251	93,536
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	444,007
Miscellaneous	-	5,891	220,966	-
Total revenues	-	7,613,781	5,214,384	537,543
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Community development	-	-	429	-
Culture and leisure	-	-	-	-
Public works	-	2,445,482	2,742,954	507,236
Capital outlay	-	149,808	56,562	-
Debt service:				
Interest and fiscal charges	-	-	-	159,854
Total expenditures	-	2,595,290	2,799,945	667,090
REVENUES OVER (UNDER) EXPENDITURES	-	5,018,491	2,414,439	(129,547)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(498,620)	-	-
Total other financing sources (uses)	-	(498,620)	-	-
Net change in fund balances	-	4,519,871	2,414,439	(129,547)
FUND BALANCES:				
Beginning of year	630,695	17,391,136	15,299,691	796,869
Restatement	(630,695)	-	-	-
Beginning of year, as restated	-	17,391,136	15,299,691	796,869
End of year	\$ -	\$ 21,911,007	\$ 17,714,130	\$ 667,322

Special Revenue Funds						
Landscape Maintenance	Gas Tax	Traffic Safety	Local Street	Public Nuisance	Measure K	
\$ 3,577,143	\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-	-
-	2,041,336	-	-	-	-	1,081,159
-	-	-	-	-	-	-
162,455	68,922	8,340	47,207	557	-	34,300
-	-	24,608	-	-	-	-
-	-	-	-	-	-	-
-	-	-	18,992	-	-	-
3,739,598	2,110,258	32,948	66,199	557	-	1,115,459
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,187,978	-	-	1,128,170	-	-	-
11,654	-	-	-	-	-	-
-	-	-	-	-	-	-
1,199,632	-	-	1,128,170	-	-	-
2,539,966	2,110,258	32,948	(1,061,971)	557	-	1,115,459
92,210	-	-	1,965,500	-	-	-
(1,646,615)	(1,074,640)	(2,440)	(318,590)	-	-	(1,131,288)
(1,554,405)	(1,074,640)	(2,440)	1,646,910	-	-	(1,131,288)
985,561	1,035,618	30,508	584,939	557	-	(15,829)
2,223,152	636,388	155,056	1,013,340	10,928	-	520,850
-	-	-	-	-	-	-
2,223,152	636,388	155,056	1,013,340	10,928	-	520,850
\$ 3,208,713	\$ 1,672,006	\$ 185,564	\$ 1,598,279	\$ 11,485	\$	505,021

City of Lathrop

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2025

	Special Revenue Funds			
	Transit LTF	Streets and Roads	Federal Grant	Historic Lathrop Loan Program (HLLP)
REVENUES:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	1,124,109	3,131,408	-
Charges for services	-	-	-	-
Use of money and property	105,693	62,708	(604)	12,580
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	105,693	1,186,817	3,130,804	12,580
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	439,889	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	439,889	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(334,196)	1,186,817	3,130,804	12,580
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(218,802)	(185,391)	(3,131,408)	-
Total other financing sources (uses)	(218,802)	(185,391)	(3,131,408)	-
Net change in fund balances	(552,998)	1,001,426	(604)	12,580
FUND BALANCES:				
Beginning of year	2,321,067	469,394	53	266,568
Restatement	-	-	-	-
Beginning of year, as restated	2,321,067	469,394	53	266,568
End of year	\$ 1,768,069	\$ 1,470,820	\$ (551)	\$ 279,148

Special Revenue Funds

Storm Drain	Street Light	AB939 Recycling	Community Development Block Grant	Scholarship Fund	COPS	Office of Traffic and Safety
\$ -	\$ -	\$ 351,016	\$ -	\$ -	\$ -	\$ -
-	-	27,580	-	-	-	-
-	-	-	-	3,070	182,163	29,049
-	-	-	-	-	-	-
13,866	67,556	98,260	3,136	1,390	22,348	316
352,590	1,236,391	-	-	-	-	-
-	-	-	-	-	-	-
-	4,508	-	-	2,750	-	-
366,456	1,308,455	476,856	3,136	7,210	204,511	29,365
-	275,614	-	-	-	79,279	3,832
-	-	-	-	-	-	-
-	-	183,901	-	-	-	-
418,918	1,000,037	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
418,918	1,275,651	183,901	-	-	79,279	3,832
(52,462)	32,804	292,955	3,136	7,210	125,232	25,533
228,520	34,800	-	-	-	-	-
(140,283)	(186,268)	(36,550)	(105,758)	(2,181)	(100,000)	(23,159)
88,237	(151,468)	(36,550)	(105,758)	(2,181)	(100,000)	(23,159)
35,775	(118,664)	256,405	(102,622)	5,029	25,232	2,374
369,384	1,404,178	1,862,241	109,058	24,928	379,566	11,216
-	-	-	-	-	-	-
369,384	1,404,178	1,862,241	109,058	24,928	379,566	11,216
\$ 405,159	\$ 1,285,514	\$ 2,118,646	\$ 6,436	\$ 29,957	\$ 404,798	\$ 13,590

City of Lathrop

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2025

	Special Revenue Funds			
	RTIF San Joaquin County	RTIF Lathrop Local West	RTIF SJCOG	RTIF Lathrop Local East
REVENUES:				
Taxes and assessments	\$ 445,964	\$ 3,211,140	\$ 668,947	\$ 37,315
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	8,632	734,863	12,933	133,117
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	454,596	3,946,003	681,880	170,432
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	453,879	-	680,804	-
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	453,879	-	680,804	-
REVENUES OVER (UNDER) EXPENDITURES	717	3,946,003	1,076	170,432
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(7,735,185)	-	(1,287,784)
Total other financing sources (uses)	-	(7,735,185)	-	(1,287,784)
Net change in fund balances	717	(3,789,182)	1,076	(1,117,352)
FUND BALANCES:				
Beginning of year	(926)	14,645,737	(1,389)	2,845,132
Restatement	-	-	-	-
Beginning of year, as restated	(926)	14,645,737	(1,389)	2,845,132
End of year	\$ (209)	\$ 10,856,555	\$ (313)	\$ 1,727,780

Special Revenue Funds

LMFD Measure C	State Grants	North Lathrop Transportation	Citywide Economic Dev Fee 20%	River Islands CFD 2013-1	Lathrop Land Acquisitions
\$ -	\$ -	\$ -	\$ 291,000	\$ 1,248,893	\$ -
-	-	-	-	-	-
-	280,049	-	-	-	-
-	-	-	-	-	-
19,174	(66)	56	195,124	30,609	127
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
19,174	279,983	56	486,124	1,279,502	127
3,993,963	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	28,285	-
-	-	-	-	-	-
-	-	-	-	-	-
3,993,963	-	-	-	28,285	-
(3,974,789)	279,983	56	486,124	1,251,217	127
4,035,869	-	-	-	-	-
-	(266,415)	-	(1,000,000)	(1,226,402)	-
4,035,869	(266,415)	-	(1,000,000)	(1,226,402)	-
61,080	13,568	56	(513,876)	24,815	127
1,027,507	58,799	650	3,898,509	145,944	1,891
-	-	-	-	-	-
1,027,507	58,799	650	3,898,509	145,944	1,891
\$ 1,088,587	\$ 72,367	\$ 706	\$ 3,384,633	\$ 170,759	\$ 2,018

City of Lathrop

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2025

	Special Revenue Funds			
	ULOP RD-17 Levee Impact	DWR Grant - ULOP Project	CLSP Off-Site Roadway Improvement	South Lathrop CFD 2019-1
REVENUES:				
Taxes and assessments	\$ 1,749,314	\$ -	\$ 93,603	\$ 450,000
Licenses and permits	-	-	-	-
Intergovernmental	-	91,498	-	-
Charges for services	-	-	-	-
Use of money and property	2,584	(4)	14,963	87,259
Fines and forfeitures	-	-	-	-
Developer participation	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	1,751,898	91,494	108,566	537,259
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
Community development	-	-	-	-
Culture and leisure	-	-	-	-
Public works	1,749,315	-	-	238,072
Capital outlay	-	-	-	-
Debt service:				
Interest and fiscal charges	-	-	-	-
Total expenditures	1,749,315	-	-	238,072
REVENUES OVER (UNDER) EXPENDITURES	2,583	91,494	108,566	299,187
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	(130,122)	-	(181,968)
Total other financing sources (uses)	-	(130,122)	-	(181,968)
Net change in fund balances	2,583	(38,628)	108,566	117,219
FUND BALANCES:				
Beginning of year	(3,015)	38,627	249,496	1,708,696
Restatement	-	-	-	-
Beginning of year, as restated	(3,015)	38,627	249,496	1,708,696
End of year	\$ (432)	\$ (1)	\$ 358,062	\$ 1,825,915

Special Revenue Funds					Capital Project Funds	
Central Lathrop CFD 2019-2	Stewart Economic Dev Fee 80%	TOT Trust	Gateway Business Park	River Islands CFD 2023-1	Streets and Roads	Storm Drain
\$ 2,051,360	\$ -	\$ -	\$ 145,904	\$ 49,085	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
59,137	5,689	69,168	17,617	416	-	54,015
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,098	-	-	-	-	-	-
2,119,595	5,689	69,168	163,521	49,501	-	54,015
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,051,386	-	-	25,797	3,701	-	186,908
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,051,386	-	-	25,797	3,701	-	186,908
1,068,209	5,689	69,168	137,724	45,800	-	(132,893)
-	-	-	-	-	-	70,000
(202,739)	-	-	(2,840)	-	-	-
(202,739)	-	-	(2,840)	-	-	70,000
865,470	5,689	69,168	134,884	45,800	-	(62,893)
947,978	14,794	1,355,698	316,223	-	21,831,610	1,015,011
-	-	-	-	-	(21,831,610)	-
947,978	14,794	1,355,698	316,223	-	-	1,015,011
\$ 1,813,448	\$ 20,483	\$ 1,424,866	\$ 451,107	\$ 45,800	\$ -	\$ 952,118

City of Lathrop

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2025

	Capital Project Funds	Total Nonmajor Governmental Funds
	Park in Lieu	
REVENUES:		
Taxes and assessments	\$ -	\$ 14,370,684
Licenses and permits	-	27,580
Intergovernmental	-	7,963,841
Charges for services	-	10,790,044
Use of money and property	-	4,059,243
Fines and forfeitures	-	1,613,589
Developer participation	-	444,007
Miscellaneous	-	262,205
Total revenues	-	39,531,193
EXPENDITURES:		
Current:		
Public safety	-	4,352,688
Community development	-	429
Culture and leisure	-	183,901
Public works	-	14,288,811
Capital outlay	-	218,024
Debt service:		
Interest and fiscal charges	-	159,854
Total expenditures	-	19,203,707
REVENUES OVER (UNDER) EXPENDITURES	-	20,327,486
OTHER FINANCING SOURCES (USES):		
Transfers in	-	6,426,899
Transfers out	-	(20,835,448)
Total other financing sources (uses)	-	(14,408,549)
Net change in fund balances	-	5,918,937
FUND BALANCES:		
Beginning of year	3,127,221	99,119,951
Restatement	(3,127,221)	(25,589,526)
Beginning of year, as restated	-	73,530,425
End of year	\$ -	\$ 79,449,362

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Building Safety & Inspection

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Licenses and permits	\$ 2,877,064	\$ 2,877,064	\$ -	\$ (2,877,064)
Charges for services	3,143,189	3,143,189	6,621,877	3,478,688
Use of money and property	-	-	986,013	986,013
Miscellaneous	-	-	5,891	5,891
Total revenues	6,020,253	6,020,253	7,613,781	1,593,528
EXPENDITURES:				
Current:				
Public works	3,408,806	4,177,735	2,445,482	1,732,253
Capital outlay	-	174,841	149,808	25,033
Total expenditures	3,408,806	4,352,576	2,595,290	1,757,286
REVENUES OVER (UNDER)	2,611,447	1,667,677	5,018,491	3,350,814
EXPENDITURES				
OTHER FINANCING SOURCES (USES):				
Transfers out	(633,230)	(498,620)	(498,620)	-
Total other financing sources (uses)	(633,230)	(498,620)	(498,620)	-
Net change in fund balances	\$ 1,978,217	\$ 1,169,057	4,519,871	\$ 3,350,814
FUND BALANCES:				
Beginning of year			17,391,136	
End of year			<u>\$ 21,911,007</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Developer Engineering

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Charges for services	\$ 2,460,413	\$ 2,802,451	\$ 4,168,167	\$ 1,365,716
Use of money and property	-	-	825,251	825,251
Miscellaneous	-	83,639	220,966	137,327
Total revenues	2,460,413	2,886,090	5,214,384	2,328,294
EXPENDITURES:				
Current:				
Community development	3,000	3,000	429	2,571
Public works	2,605,183	3,611,961	2,742,954	869,007
Capital outlay	-	60,000	56,562	3,438
Total expenditures	2,608,183	3,674,961	2,799,945	875,016
REVENUES OVER (UNDER)				
EXPENDITURES	(147,770)	(788,871)	2,414,439	3,203,310
Net change in fund balances	\$ (147,770)	\$ (788,871)	2,414,439	\$ 3,203,310
FUND BALANCES:				
Beginning of year			15,299,691	
End of year			\$ 17,714,130	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Developer Deposits

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ 19,100	\$ 19,100	\$ 93,536	\$ 74,436
Developer participation	331,900	583,400	444,007	(139,393)
Total revenues	351,000	602,500	537,543	(64,957)
EXPENDITURES:				
Current:				
Public works	191,000	544,304	507,236	37,068
Debt service:				
Interest and fiscal charges	160,000	160,000	159,854	146
Total expenditures	351,000	704,304	667,090	37,068
REVENUES OVER (UNDER)				
EXPENDITURES	-	(101,804)	(129,547)	(27,743)
Net change in fund balances	\$ -	\$ (101,804)	(129,547)	\$ (27,743)
FUND BALANCES:				
Beginning of year			796,869	
End of year			\$ 667,322	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Landscape Maintenance

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 3,460,227	\$ 3,460,227	\$ 3,577,143	\$ 116,916
Use of money and property	6,500	6,500	162,455	155,955
Total revenues	3,466,727	3,466,727	3,739,598	272,871
EXPENDITURES:				
Current:				
Public works	1,317,603	1,492,516	1,187,978	304,538
Capital outlay	-	32,001	11,654	20,347
Total expenditures	1,317,603	1,524,517	1,199,632	324,885
REVENUES OVER (UNDER)				
EXPENDITURES	2,149,124	1,942,210	2,539,966	597,756
OTHER FINANCING SOURCES (USES):				
Transfers in	92,210	92,210	92,210	-
Transfers out	(1,741,180)	(1,646,615)	(1,646,615)	-
Total other financing sources (uses)	(1,648,970)	(1,554,405)	(1,554,405)	-
Net change in fund balances	\$ 500,154	\$ 387,805	985,561	\$ 597,756
FUND BALANCES:				
Beginning of year			2,223,152	
End of year			\$ 3,208,713	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Gas Tax

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 1,667,644	\$ 1,667,644	\$ 2,041,336	\$ 373,692
Use of money and property	-	-	68,922	68,922
Total revenues	1,667,644	1,667,644	2,110,258	442,614
REVENUES OVER (UNDER)				
EXPENDITURES	1,667,644	1,667,644	2,110,258	442,614
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,000,600)	(1,074,640)	(1,074,640)	-
Total other financing sources (uses)	(1,000,600)	(1,074,640)	(1,074,640)	-
Net change in fund balances	\$ 667,044	\$ 593,004	1,035,618	\$ 442,614
FUND BALANCES:				
Beginning of year			636,388	
End of year			\$ 1,672,006	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Traffic Safety

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 8,340	\$ 8,340
Fines and forfeitures	30,000	30,000	24,608	(5,392)
Total revenues	30,000	30,000	32,948	2,948
EXPENDITURES:				
Current:				
Public safety	28,350	28,350	-	28,350
Capital outlay	30,000	30,000	-	30,000
Total expenditures	58,350	58,350	-	58,350
REVENUES OVER (UNDER)				
EXPENDITURES	(28,350)	(28,350)	32,948	61,298
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,460)	(2,440)	(2,440)	-
Total other financing sources (uses)	(2,460)	(2,440)	(2,440)	-
Net change in fund balances	<u>\$ (30,810)</u>	<u>\$ (30,790)</u>	<u>30,508</u>	<u>\$ 61,298</u>
FUND BALANCES:				
Beginning of year			155,056	
End of year			<u>\$ 185,564</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Local Street

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 47,207	\$ 47,207
Miscellaneous	-	-	18,992	18,992
Total revenues	-	-	66,199	66,199
EXPENDITURES:				
Current:				
Public works	1,451,323	1,951,492	1,128,170	823,322
Capital outlay	10,000	29,700	-	29,700
Total expenditures	1,461,323	1,981,192	1,128,170	853,022
REVENUES OVER (UNDER)				
EXPENDITURES	(1,461,323)	(1,981,192)	(1,061,971)	919,221
OTHER FINANCING SOURCES (USES):				
Transfers in	1,850,000	1,965,500	1,965,500	-
Transfers out	(245,800)	(318,590)	(318,590)	-
Total other financing sources (uses)	1,604,200	1,646,910	1,646,910	-
Net change in fund balances	\$ 142,877	\$ (334,282)	584,939	\$ 919,221
FUND BALANCES:				
Beginning of year			1,013,340	
End of year			\$ 1,598,279	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Public Nuisance

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 557	\$ 557
Total revenues	-	-	557	557
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	557	557
Net change in fund balances	\$ -	\$ -	557	\$ 557
FUND BALANCES:				
Beginning of year			10,928	
End of year			\$ 11,485	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Measure K

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 901,810	\$ 1,033,098	\$ 1,081,159	\$ 48,061
Use of money and property	-	-	34,300	34,300
Total revenues	901,810	1,033,098	1,115,459	82,361
REVENUES OVER (UNDER)				
EXPENDITURES	901,810	1,033,098	1,115,459	82,361
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,000,000)	(1,156,796)	(1,131,288)	25,508
Total other financing sources (uses)	(1,000,000)	(1,156,796)	(1,131,288)	25,508
Net change in fund balances	\$ (98,190)	\$ (123,698)	(15,829)	\$ 107,869
FUND BALANCES:				
Beginning of year			520,850	
End of year			<u>\$ 505,021</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Transit LTF

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 1,018,735	\$ 1,018,735	\$ -	\$ (1,018,735)
Use of money and property	-	-	105,693	105,693
Total revenues	1,018,735	1,018,735	105,693	(913,042)
EXPENDITURES:				
Current:				
Public works	-	1,125,161	439,889	685,272
Total expenditures	-	1,125,161	439,889	685,272
REVENUES OVER (UNDER)				
EXPENDITURES	1,018,735	(106,426)	(334,196)	(227,770)
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(661,598)	(218,802)	442,796
Total other financing sources (uses)	(200,000)	(661,598)	(218,802)	442,796
Net change in fund balances	\$ 818,735	\$ (768,024)	(552,998)	\$ 215,026
FUND BALANCES:				
Beginning of year			2,321,067	
End of year			\$ 1,768,069	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Streets and Roads

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,066,678	\$ 1,266,678	\$ 1,124,109	\$ (142,569)
Use of money and property	-	-	62,708	62,708
Total revenues	1,066,678	1,266,678	1,186,817	(79,861)
REVENUES OVER (UNDER)				
EXPENDITURES	1,066,678	1,266,678	1,186,817	(79,861)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,682,906)	(185,391)	1,497,515
Total other financing sources (uses)	-	(1,682,906)	(185,391)	1,497,515
Net change in fund balances	<u>\$ 1,066,678</u>	<u>\$ (416,228)</u>	1,001,426	<u>\$ 1,417,654</u>
FUND BALANCES:				
Beginning of year			469,394	
End of year			<u>\$ 1,470,820</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Federal Grant

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 7,276,659	\$ 3,131,408	\$ (4,145,251)
Use of money and property	-	-	(604)	(604)
Total revenues	-	7,276,659	3,130,804	(4,145,855)
REVENUES OVER (UNDER)				
EXPENDITURES	-	7,276,659	3,130,804	(4,145,855)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(7,276,659)	(3,131,408)	4,145,251
Total other financing sources (uses)	-	(7,276,659)	(3,131,408)	4,145,251
Net change in fund balances	\$ -	\$ -	(604)	\$ (604)
FUND BALANCES:				
Beginning of year			53	
End of year			\$ (551)	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Historic Lathrop Loan Program (HLLP)

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 12,580	\$ 12,580
Total revenues	-	-	12,580	12,580
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	12,580	12,580
Net change in fund balances	\$ -	\$ -	12,580	\$ 12,580
FUND BALANCES:				
Beginning of year			266,568	
End of year			\$ 279,148	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Storm Drain

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 13,866	\$ 13,866
Fines and forfeitures	352,503	352,503	352,590	87
Total revenues	352,503	352,503	366,456	13,953
EXPENDITURES:				
Current:				
Public works	496,666	599,918	418,918	181,000
Total expenditures	496,666	599,918	418,918	181,000
REVENUES OVER (UNDER)				
EXPENDITURES	(144,163)	(247,415)	(52,462)	194,953
OTHER FINANCING SOURCES (USES):				
Transfers in	228,520	228,520	228,520	-
Transfers out	(80,480)	(140,283)	(140,283)	-
Total other financing sources (uses)	148,040	88,237	88,237	-
Net change in fund balances	\$ 3,877	\$ (159,178)	35,775	\$ 194,953
FUND BALANCES:				
Beginning of year			369,384	
End of year			\$ 405,159	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Street Light

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 67,556	\$ 67,556
Fines and forfeitures	1,236,450	1,236,450	1,236,391	(59)
Miscellaneous	-	-	4,508	4,508
Total revenues	1,236,450	1,236,450	1,308,455	72,005
EXPENDITURES:				
Current:				
Public safety	199,544	289,156	275,614	13,542
Public works	941,403	1,166,241	1,000,037	166,204
Total expenditures	1,140,947	1,455,397	1,275,651	179,746
REVENUES OVER (UNDER)	95,503	(218,947)	32,804	251,751
EXPENDITURES				
OTHER FINANCING SOURCES (USES):				
Transfers in	34,800	34,800	34,800	-
Transfers out	(183,210)	(186,268)	(186,268)	-
Total other financing sources (uses)	(148,410)	(151,468)	(151,468)	-
Net change in fund balances	\$ (52,907)	\$ (370,415)	(118,664)	\$ 251,751
FUND BALANCES:				
Beginning of year			1,404,178	
End of year			<u>\$ 1,285,514</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

AB939 Recycling

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 170,000	\$ 170,000	\$ 351,016	\$ 181,016
Licenses and permits	-	-	27,580	27,580
Use of money and property	-	-	98,260	98,260
Total revenues	170,000	170,000	476,856	306,856
EXPENDITURES:				
Current:				
Culture and leisure	108,967	231,651	183,901	47,750
Total expenditures	108,967	231,651	183,901	47,750
REVENUES OVER (UNDER)				
EXPENDITURES	61,033	(61,651)	292,955	354,606
OTHER FINANCING SOURCES (USES):				
Transfers out	(30,680)	(36,550)	(36,550)	-
Total other financing sources (uses)	(30,680)	(36,550)	(36,550)	-
Net change in fund balances	\$ 30,353	\$ (98,201)	256,405	\$ 354,606
FUND BALANCES:				
Beginning of year			1,862,241	
End of year			\$ 2,118,646	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Community Development Block Grant

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ -	\$ 194,719	\$ -	\$ (194,719)
Use of money and property	-	-	3,136	3,136
Total revenues	-	194,719	3,136	(191,583)
REVENUES OVER (UNDER)				
EXPENDITURES	-	194,719	3,136	(191,583)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(194,719)	(105,758)	88,961
Total other financing sources (uses)	-	(194,719)	(105,758)	88,961
Net change in fund balances	\$ -	\$ -	(102,622)	\$ (102,622)
FUND BALANCES:				
Beginning of year			109,058	
End of year			\$ 6,436	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Scholarship Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 5,000	\$ 10,846	\$ 3,070	\$ (7,776)
Use of money and property	-	-	1,390	1,390
Miscellaneous	-	-	2,750	2,750
Total revenues	5,000	10,846	7,210	(3,636)
REVENUES OVER (UNDER)	5,000	10,846	7,210	(3,636)
EXPENDITURES				
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,000)	(10,846)	(2,181)	8,665
Total other financing sources (uses)	(5,000)	(10,846)	(2,181)	8,665
Net change in fund balances	\$ -	\$ -	5,029	\$ 5,029
FUND BALANCES:				
Beginning of year			24,928	
End of year			<u>\$ 29,957</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual COPS

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 150,000	\$ 194,664	\$ 182,163	\$ (12,501)
Use of money and property	-	-	22,348	22,348
Total revenues	150,000	194,664	204,511	9,847
EXPENDITURES:				
Current:				
Public safety	100,000	129,007	79,279	49,728
Total expenditures	100,000	129,007	79,279	49,728
REVENUES OVER (UNDER)				
EXPENDITURES	50,000	65,657	125,232	59,575
OTHER FINANCING SOURCES (USES):				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	(100,000)	(100,000)	(100,000)	-
Net change in fund balances	\$ (50,000)	\$ (34,343)	25,232	\$ 59,575
FUND BALANCES:				
Beginning of year			379,566	
End of year			\$ 404,798	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Office of Traffic and Safety

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 78,000	\$ 81,500	\$ 29,049	\$ (52,451)
Use of money and property	-	-	316	316
Total revenues	78,000	81,500	29,365	(52,135)
EXPENDITURES:				
Current:				
Public safety	-	26,150	3,832	22,318
Total expenditures	-	26,150	3,832	22,318
REVENUES OVER (UNDER)				
EXPENDITURES	78,000	55,350	25,533	(29,817)
OTHER FINANCING SOURCES (USES):				
Transfers out	(78,000)	(55,350)	(23,159)	32,191
Total other financing sources (uses)	(78,000)	(55,350)	(23,159)	32,191
Net change in fund balances	\$ -	\$ -	2,374	\$ 2,374
FUND BALANCES:				
Beginning of year			11,216	
End of year			\$ 13,590	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF San Joaquin County

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 506,121	\$ 506,121	\$ 445,964	\$ (60,157)
Use of money and property	-	-	8,632	8,632
Total revenues	<u>506,121</u>	<u>506,121</u>	<u>454,596</u>	<u>(51,525)</u>
EXPENDITURES:				
Current:				
Public works	506,121	506,121	453,879	52,242
Total expenditures	<u>506,121</u>	<u>506,121</u>	<u>453,879</u>	<u>52,242</u>
REVENUES OVER (UNDER)	-	-	717	717
EXPENDITURES	-	-	-	-
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>717</u>	<u>\$ 717</u>
FUND BALANCES:				
Beginning of year			(926)	
End of year			<u>\$ (209)</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF Lathrop Local West

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 2,637,668	\$ 2,637,668	\$ 3,211,140	\$ 573,472
Use of money and property	-	-	734,863	734,863
Total revenues	2,637,668	2,637,668	3,946,003	1,308,335
EXPENDITURES:				
Current:				
Public works	6,000	6,000	-	6,000
Total expenditures	6,000	6,000	-	6,000
REVENUES OVER (UNDER)				
EXPENDITURES	2,631,668	2,631,668	3,946,003	1,314,335
OTHER FINANCING SOURCES (USES):				
Transfers out	(503,406)	(7,735,185)	(7,735,185)	-
Total other financing sources (uses)	(503,406)	(7,735,185)	(7,735,185)	-
Net change in fund balances	\$ 2,128,262	\$ (5,103,517)	(3,789,182)	\$ 1,314,335
FUND BALANCES:				
Beginning of year			14,645,737	
End of year			\$ 10,856,555	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF SJCOG

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Taxes and assessments	\$ 759,181	\$ 759,181	\$ 668,947	\$ (90,234)
Use of money and property	-	-	12,933	12,933
Total revenues	<u>759,181</u>	<u>759,181</u>	<u>681,880</u>	<u>(77,301)</u>
EXPENDITURES:				
Current:				
Public works	759,181	759,181	680,804	78,377
Total expenditures	<u>759,181</u>	<u>759,181</u>	<u>680,804</u>	<u>78,377</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,076</u>	<u>1,076</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,076</u>	<u>\$ 1,076</u>
FUND BALANCES:				
Beginning of year			(1,389)	
End of year			<u>\$ (313)</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

RTIF Lathrop Local East

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 1,082,318	\$ 1,082,318	\$ 37,315	\$ (1,045,003)
Use of money and property	-	-	133,117	133,117
Total revenues	1,082,318	1,082,318	170,432	(911,886)
EXPENDITURES:				
Current:				
Public works	5,000	5,000	-	5,000
Total expenditures	5,000	5,000	-	5,000
REVENUES OVER (UNDER)				
EXPENDITURES	1,077,318	1,077,318	170,432	(906,886)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,287,784)	(1,287,784)	-
Total other financing sources (uses)	-	(1,287,784)	(1,287,784)	-
Net change in fund balances	\$ 1,077,318	\$ (210,466)	(1,117,352)	\$ (906,886)
FUND BALANCES:				
Beginning of year			2,845,132	
End of year			\$ 1,727,780	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

LMFD Measure C

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 19,174	\$ 19,174
Total revenues	-	-	19,174	19,174
EXPENDITURES:				
Current:				
Public safety	4,120,000	4,120,000	3,993,963	126,037
Total expenditures	4,120,000	4,120,000	3,993,963	126,037
REVENUES OVER (UNDER)				
EXPENDITURES	(4,120,000)	(4,120,000)	(3,974,789)	145,211
OTHER FINANCING SOURCES (USES):				
Transfers in	4,120,000	4,120,000	4,035,869	(84,131)
Total other financing sources (uses)	4,120,000	4,120,000	4,035,869	(84,131)
Net change in fund balances	\$ -	\$ -	61,080	\$ 61,080
FUND BALANCES:				
Beginning of year			1,027,507	
End of year			\$ 1,088,587	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

State Grants

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Intergovernmental	\$ 3,000,000	\$ 1,022,557	\$ 280,049	\$ (742,508)
Use of money and property	-	-	(66)	(66)
Total revenues	3,000,000	1,022,557	279,983	(742,574)
REVENUES OVER (UNDER)				
EXPENDITURES	3,000,000	1,022,557	279,983	(742,574)
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,000,000)	(941,281)	(266,415)	674,866
Total other financing sources (uses)	(3,000,000)	(941,281)	(266,415)	674,866
Net change in fund balances	\$ -	\$ 81,276	13,568	\$ (67,708)
FUND BALANCES:				
Beginning of year			58,799	
End of year			\$ 72,367	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

North Lathrop Transportation

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 56	\$ 56
Total revenues	-	-	56	56
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	56	56
Net change in fund balances	\$ -	\$ -	56	\$ 56
FUND BALANCES:				
Beginning of year			650	
End of year			\$ 706	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Citywide Economic Dev Fee 20%

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 340,000	\$ 340,000	\$ 291,000	\$ (49,000)
Use of money and property	-	-	195,124	195,124
Total revenues	340,000	340,000	486,124	146,124
REVENUES OVER (UNDER)				
EXPENDITURES	340,000	340,000	486,124	146,124
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	-	(1,000,000)	(1,000,000)	-
Net change in fund balances	\$ 340,000	\$ (660,000)	(513,876)	\$ 146,124
FUND BALANCES:				
Beginning of year			3,898,509	
End of year			<u>\$ 3,384,633</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

River Islands CFD 2013-1

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 1,182,800	\$ 1,182,800	\$ 1,248,893	\$ 66,093
Use of money and property	-	-	30,609	30,609
Miscellaneous	120,000	120,000	-	(120,000)
Total revenues	1,302,800	1,302,800	1,279,502	(23,298)
EXPENDITURES:				
Current:				
Public works	19,800	20,300	28,285	(7,985)
Total expenditures	19,800	20,300	28,285	(7,985)
REVENUES OVER (UNDER)				
EXPENDITURES	1,283,000	1,282,500	1,251,217	(31,283)
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,285,340)	(1,286,450)	(1,226,402)	60,048
Total other financing sources (uses)	(1,285,340)	(1,286,450)	(1,226,402)	60,048
Net change in fund balances	\$ (2,340)	\$ (3,950)	24,815	\$ 28,765
FUND BALANCES:				
Beginning of year			145,944	
End of year			\$ 170,759	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Lathrop Land Acquisitions

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 127	\$ 127
Total revenues	-	-	127	127
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	127	127
Net change in fund balances	\$ -	\$ -	127	\$ 127
FUND BALANCES:				
Beginning of year			1,891	
End of year			\$ 2,018	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

ULOP RD-17 Levee Impact

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES:				
Taxes and assessments	\$ 2,234,863	\$ 2,234,863	\$ 1,749,314	\$ (485,549)
Use of money and property	-	-	2,584	2,584
Total revenues	<u>2,234,863</u>	<u>2,234,863</u>	<u>1,751,898</u>	<u>(482,965)</u>
EXPENDITURES:				
Current:				
Public works	-	1,754,003	1,749,315	4,688
Total expenditures	<u>-</u>	<u>1,754,003</u>	<u>1,749,315</u>	<u>4,688</u>
REVENUES OVER (UNDER)	<u>2,234,863</u>	<u>480,860</u>	<u>2,583</u>	<u>(478,277)</u>
EXPENDITURES				
Net change in fund balances	<u>\$ 2,234,863</u>	<u>\$ 480,860</u>	<u>2,583</u>	<u>\$ (478,277)</u>
FUND BALANCES:				
Beginning of year			(3,015)	
End of year			<u>\$ (432)</u>	

City of Lathrop**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual****DWR Grant - ULOP Project****For the year ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 3,972,015	\$ 91,498	\$ (3,880,517)
Use of money and property	-	-	(4)	(4)
Total revenues	-	3,972,015	91,494	(3,880,521)
REVENUES OVER (UNDER)				
EXPENDITURES	-	3,972,015	91,494	(3,880,521)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(3,972,015)	(130,122)	3,841,893
Total other financing sources (uses)	-	(3,972,015)	(130,122)	3,841,893
Net change in fund balances	\$ -	\$ -	(38,628)	\$ (38,628)
FUND BALANCES:				
Beginning of year			38,627	
End of year			\$ (1)	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

CLSP Off-Site Roadway Improvement

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 144,963	\$ 144,963	\$ 93,603	\$ (51,360)
Use of money and property	-	-	14,963	14,963
Total revenues	144,963	144,963	108,566	(36,397)
REVENUES OVER (UNDER)	144,963	144,963	108,566	(36,397)
EXPENDITURES				
Net change in fund balances	\$ 144,963	\$ 144,963	108,566	\$ (36,397)
FUND BALANCES:				
Beginning of year			249,496	
End of year			<u>\$ 358,062</u>	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

South Lathrop CFD 2019-1

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 581,280	\$ 581,280	\$ 450,000	\$ (131,280)
Use of money and property	-	-	87,259	87,259
Total revenues	581,280	581,280	537,259	(44,021)
EXPENDITURES:				
Current:				
Public works	365,712	382,993	238,072	144,921
Capital outlay	50,000	50,000	-	50,000
Total expenditures	415,712	432,993	238,072	194,921
REVENUES OVER (UNDER)				
EXPENDITURES	165,568	148,287	299,187	150,900
OTHER FINANCING SOURCES (USES):				
Transfers out	(64,230)	(181,968)	(181,968)	-
Total other financing sources (uses)	(64,230)	(181,968)	(181,968)	-
Net change in fund balances	\$ 101,338	\$ (33,681)	117,219	\$ 150,900
FUND BALANCES:				
Beginning of year			1,708,696	
End of year			\$ 1,825,915	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Central Lathrop CFD 2019-2

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ 2,488,380	\$ 2,488,380	\$ 2,051,360	\$ (437,020)
Use of money and property	-	-	59,137	59,137
Miscellaneous	-	-	9,098	9,098
Total revenues	2,488,380	2,488,380	2,119,595	(368,785)
EXPENDITURES:				
Current:				
Public works	1,227,170	1,463,289	1,051,386	411,903
Total expenditures	1,227,170	1,463,289	1,051,386	411,903
REVENUES OVER (UNDER)				
EXPENDITURES	1,261,210	1,025,091	1,068,209	43,118
OTHER FINANCING SOURCES (USES):				
Transfers out	(175,380)	(202,739)	(202,739)	-
Total other financing sources (uses)	(175,380)	(202,739)	(202,739)	-
Net change in fund balances	\$ 1,085,830	\$ 822,352	865,470	\$ 43,118
FUND BALANCES:				
Beginning of year			947,978	
End of year			\$ 1,813,448	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Stewart Economic Dev Fee 80%

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 5,689	\$ 5,689
Total revenues	-	-	5,689	5,689
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	5,689	5,689
Net change in fund balances	\$ -	\$ -	5,689	\$ 5,689
FUND BALANCES:				
Beginning of year			14,794	
End of year			\$ 20,483	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

TOT Trust

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 69,168	\$ 69,168
Total revenues	-	-	69,168	69,168
REVENUES OVER (UNDER)				
EXPENDITURES	-	-	69,168	69,168
Net change in fund balances	\$ -	\$ -	69,168	\$ 69,168
FUND BALANCES:				
Beginning of year			1,355,698	
End of year			\$ 1,424,866	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gateway Business Park

For the year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 161,000	\$ 161,000	\$ 145,904	\$ (15,096)
Use of money and property	-	-	17,617	17,617
Total revenues	161,000	161,000	163,521	2,521
EXPENDITURES:				
Current:				
Public works	88,196	115,578	25,797	89,781
Total expenditures	88,196	115,578	25,797	89,781
REVENUES OVER (UNDER) EXPENDITURES	72,804	45,422	137,724	92,302
OTHER FINANCING SOURCES (USES):				
Transfers out	(510)	(2,840)	(2,840)	-
Total other financing sources (uses)	(510)	(2,840)	(2,840)	-
Net change in fund balances	\$ 72,294	\$ 42,582	134,884	\$ 92,302
FUND BALANCES:				
Beginning of year			316,223	
End of year			\$ 451,107	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

River Islands CFD 2023-1

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Taxes and assessments	\$ -	\$ 49,513	\$ 49,085	\$ (428)
Use of money and property	-	-	416	416
Total revenues	-	49,513	49,501	(12)
EXPENDITURES:				
Current:				
Public works	-	3,728	3,701	27
Total expenditures	-	3,728	3,701	27
REVENUES OVER (UNDER)				
EXPENDITURES	-	45,785	45,800	15
Net change in fund balances	\$ -	\$ 45,785	45,800	\$ 15
FUND BALANCES:				
Beginning of year			-	
End of year			\$ 45,800	

City of Lathrop

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Storm Drain

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 54,015	\$ 54,015
Total revenues	-	-	54,015	54,015
EXPENDITURES:				
Current:				
Public works	70,000	1,593,983	186,908	1,407,075
Total expenditures	70,000	1,593,983	186,908	1,407,075
REVENUES OVER (UNDER)				
EXPENDITURES	(70,000)	(1,593,983)	(132,893)	1,461,090
OTHER FINANCING SOURCES (USES):				
Transfers in	70,000	741,983	70,000	(671,983)
Total other financing sources (uses)	70,000	741,983	70,000	(671,983)
Net change in fund balances	\$ -	\$ (852,000)	(62,893)	\$ 789,107
FUND BALANCES:				
Beginning of year			1,015,011	
End of year			\$ 952,118	

**City of Lathrop
Custodial Funds
Year Ended June 30, 2025**

Custodial Funds account for assets held by the City as agent for individuals governmental entities and non-public organizations. These funds include the following:

MOSSDALE VILLAGE ASSESSMENT DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Mossdale Village Assessment District.

CROSSROADS ASSESSMENTS FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Crossroads Assessment District.

JOINT WASTEWATER COMMUNITY FACILITIES DISTRICT FUND

To account for the special assessments associated with the payment of the limited-obligation improvement bonds for the Joint Wastewater Community Facilities District.

NORTH HARLAN WATER IMPROVEMENT FUND

To account for special assessments associated with the payment of limited obligation improvement bonds for the North Harlan Water Improvement District.

COMMUNITY FACILITIES DISTRICT CLSP INFRASTRUCTURE FUND

To account for special assessments associated with the infrastructure in the Central Lathrop Specific Plan area.

SEWER ASSESSMENT DISTRICT NO.1 FUND

To account for the special assessments associated with the payments of the limited-obligation improvement bonds for the Lathrop Sanitary Sewer Assessment District No.1.

MOSSDALE VILLAGE REASSESSMENT 2015 - 1 FUND

To account for the special assessments associated with the payment of bonds for the Mossdale Village District.

MOSSDALE VILLAGE COMMUNITY FACILITIES DISTRICT 2003 - 1 FUND

To account for the special assessments associated with the payment of bonds for the Mossdale Village District.

City of Lathrop
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District	North Harlan Water Improvement
ASSETS				
Cash and investments	\$ 678,278	\$ 621,830	\$ 522,802	\$ 398
Receivables:				
Accrued interest	1,243	1,122	982	1
Restricted assets:				
Cash and investments with fiscal agents	639,756	845,584	736,407	-
Total assets	<u>1,319,277</u>	<u>1,468,536</u>	<u>1,260,191</u>	<u>399</u>
LIABILITIES				
Accounts payable	270	-	70	-
Deposits payable	-	-	-	-
Total liabilities	<u>270</u>	<u>-</u>	<u>70</u>	<u>-</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	1,319,007	1,468,536	1,260,121	399
Total Net Position	<u>\$ 1,319,007</u>	<u>\$ 1,468,536</u>	<u>\$ 1,260,121</u>	<u>\$ 399</u>

Community Facilities District CLSP Infrastructure	Sewer Assessment District #1	Mossdale Village Reassessment 2015- 1	Mossdale Village CFD 2003-1	Total Custodial Funds
\$ 2,246,584	\$ 2,929	\$ 722,027	\$ 1,789,711	\$ 6,584,559
3,951	25	1,458	3,915	12,697
1,714,904	312,687	243,881	223,677	4,716,896
3,965,439	315,641	967,366	2,017,303	11,314,152
270	-	303	358,010	358,923
30,747	-	-	-	30,747
31,017	-	303	358,010	389,670
3,934,422	315,641	967,063	1,659,293	10,924,482
\$ 3,934,422	\$ 315,641	\$ 967,063	\$ 1,659,293	\$ 10,924,482

City of Lathrop
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the year ended June 30, 2025

	Mossdale Village Assessment District	Crossroads Assessments	Joint Wastewater Community Facilities District	North Harlan Water Improvement
ADDITIONS:				
Collections for assessment districts	\$ 1,477,926	\$ 757,361	\$ 641,964	\$ -
Investment earnings	46,158	56,018	40,679	(39)
Total additions	1,524,084	813,379	682,643	(39)
DEDUCTIONS:				
Administrative expenses	32,304	20,935	29,695	-
Debt service	1,361,335	733,700	587,575	-
Total deductions	1,393,639	754,635	617,270	-
Change in net position	130,445	58,744	65,373	(39)
NET POSITION:				
Beginning of year	1,188,562	1,409,792	1,194,748	438
End of year	<u>\$ 1,319,007</u>	<u>\$ 1,468,536</u>	<u>\$ 1,260,121</u>	<u>\$ 399</u>

Community Facilities District CLSP Infrastructure	Sewer Assessment District #1	Mossdale Village Reassessment 2015- 1	Mossdale Village CFD 2003-1	Total Custodial Funds
\$ 2,827,291	\$ 146,521	\$ 947,981	\$ 771,485	\$ 7,570,529
136,731	11,654	37,058	89,647	417,906
2,964,022	158,175	985,039	861,132	7,988,435
44,358	28,651	34,639	30,050	220,632
2,714,095	35,768	904,927	695,665	7,033,065
2,758,453	64,419	939,566	725,715	7,253,697
205,569	93,756	45,473	135,417	734,738
3,728,853	221,885	921,590	1,523,876	10,189,744
\$ 3,934,422	\$ 315,641	\$ 967,063	\$ 1,659,293	\$ 10,924,482

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STATISTICAL SECTION

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Property Tax Levies and Collections
2. Assessed Value and Estimated Actual Value of Taxable Property
3. Principal Property Taxpayers

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Direct and Overlapping Property Tax Rates
2. Direct and Overlapping Governments Sales Tax Rates
3. Legal Debt Margin Information
4. Outstanding Debt
5. Computation of Direct and Overlapping Debt
6. Pledged-Revenue Coverage

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-time and Part-time City Employees by Function
2. Operating Indicators by Function
3. Capital Asset Statistics by Function
4. Water Sold by Type of Customer
5. Water Rates
6. Ten Largest Water Customers
7. Top 25 Sales Tax Producers

Sources

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Governmental activities:				
Net investments in capital assets	\$ 148,474,931	\$ 155,971,046	\$ 159,727,304	\$ 179,501,255
Restricted	10,223,760	11,858,920	10,376,172	13,552,647
Unrestricted	<u>38,941,548</u>	<u>47,769,952</u>	<u>52,396,920</u>	<u>72,645,973</u>
Total governmental activities net position	<u><u>\$ 197,640,239</u></u>	<u><u>\$ 215,599,918</u></u>	<u><u>\$ 222,500,396</u></u>	<u><u>\$ 265,699,875</u></u>
Business-type activities:				
Net investments in capital assets	\$ 93,906,914	\$ 103,695,833	\$ 120,279,431	\$ 150,452,677
Restricted	2,698,250	1,706,637	1,650,031	1,652,234
Unrestricted	<u>26,437,255</u>	<u>37,146,214</u>	<u>30,919,752</u>	<u>34,710,083</u>
Total business-type activities net position	<u><u>\$ 123,042,419</u></u>	<u><u>\$ 142,548,684</u></u>	<u><u>\$ 152,849,214</u></u>	<u><u>\$ 186,814,994</u></u>
Primary government:				
Net investments in capital assets	\$ 242,381,845	\$ 259,666,879	\$ 280,006,735	\$ 329,953,932
Restricted	12,922,010	13,565,557	12,026,203	15,204,881
Unrestricted	<u>65,378,803</u>	<u>84,916,166</u>	<u>83,316,672</u>	<u>107,356,056</u>
Total Primary government net position	<u><u>\$ 320,682,658</u></u>	<u><u>\$ 358,148,602</u></u>	<u><u>\$ 375,349,610</u></u>	<u><u>\$ 452,514,869</u></u>

Source: City of Lathrop, California Annual Comprehensive Financial Reports.

CITY OF LATHROP
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 206,211,349	\$ 218,894,403	\$ 250,605,011	\$ 320,475,208	\$ 356,771,955	\$ 396,480,557
16,013,046	103,964,923	122,949,990	125,033,370	142,915,495	188,519,998
87,005,385	33,463,086	47,696,013	59,792,854	84,885,678	69,275,230
<u>\$ 309,229,780</u>	<u>\$ 356,322,412</u>	<u>\$ 421,251,014</u>	<u>\$ 505,301,432</u>	<u>\$ 584,573,128</u>	<u>\$ 654,275,785</u>
\$ 160,481,074	\$ 156,963,462	\$ 174,059,421	\$ 206,299,495	\$ 225,625,879	\$ 264,358,527
1,651,396	1,650,648	1,652,915	1,408,865	1,431,530	1,486,322
43,373,359	62,502,764	70,785,536	72,411,962	78,801,938	81,161,243
<u>\$ 205,505,829</u>	<u>\$ 221,116,874</u>	<u>\$ 246,497,872</u>	<u>\$ 280,120,322</u>	<u>\$ 305,859,347</u>	<u>\$ 347,006,092</u>
\$ 366,692,423	\$ 375,857,865	\$ 424,664,432	\$ 526,774,703	\$ 582,397,834	\$ 660,839,084
17,664,442	105,615,571	124,602,905	126,442,235	144,347,025	190,006,320
130,378,744	95,965,850	118,481,549	132,204,816	163,687,616	150,436,473
<u>\$ 514,735,609</u>	<u>\$ 577,439,286</u>	<u>\$ 667,748,886</u>	<u>\$ 785,421,754</u>	<u>\$ 890,432,475</u>	<u>\$ 1,001,281,877</u>

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019
Expenses:				
Governmental activities:				
General government	\$ 5,614,173	\$ 4,580,381	\$ 4,917,617	\$ 5,307,052
Public safety	8,048,625	9,683,636	10,965,814	11,284,963
Public works	7,864,470	13,125,373	13,066,756	16,835,406
Culture and leisure	1,395,287	1,300,832	1,331,811	1,442,202
Community development	1,712,156	993,885	1,256,506	977,552
Interest on long-term debt	880,036	319,164	100,088	46,410
Total governmental activities expense	<u>\$ 25,514,747</u>	<u>\$ 30,003,271</u>	<u>\$ 31,638,592</u>	<u>\$ 35,893,585</u>
Business-type activities:				
Water	\$ 4,941,845	\$ 5,828,411	\$ 4,969,618	\$ 6,303,489
Wastewater	3,587,602	5,393,728	1,204,762	9,206,503
Total business-type activities expenses	<u>\$ 8,529,447</u>	<u>\$ 11,222,139</u>	<u>\$ 6,174,380</u>	<u>\$ 15,509,992</u>
Total primary government expenses	<u>\$ 34,044,194</u>	<u>\$ 41,225,410</u>	<u>\$ 37,812,972</u>	<u>\$ 51,403,577</u>
Program revenues:				
Governmental activities:				
Charges for services:				
General Government	\$ 551,613	\$ 462,696	\$ 438,974	\$ 528,673
Public Safety	365,009	231,164	424,909	775,581
Public Works	258,005	1,697,831	1,184,297	1,874,445
Culture and leisure	205,376	283,662	279,505	341,016
Community development	3,947,881	3,131,768	2,916,089	3,880,593
Operating grants and contributions	5,016,283	4,841,037	5,459,511	5,674,834
Capital grants and contributions	9,759,080	30,838,179	10,069,773	40,920,445
Total governmental activities program revenues	<u>\$ 20,103,247</u>	<u>\$ 41,486,337</u>	<u>\$ 20,773,058</u>	<u>\$ 53,995,587</u>
Business-type activities:				
Charges for services:				
Water	\$ 5,849,963	\$ 6,856,028	\$ 8,331,835	\$ 9,052,906
Wastewater	5,233,840	5,791,155	6,533,098	7,923,942
Operating grants and contributions	-	-	-	-
Capital grants and contributions	159,854	159,854	159,854	32,556,339
Total business-type activities program revenues	<u>\$ 11,243,657</u>	<u>\$ 12,807,037</u>	<u>\$ 15,024,787</u>	<u>\$ 49,533,187</u>
Total primary government program revenues	<u>\$ 31,346,904</u>	<u>\$ 54,293,374</u>	<u>\$ 35,797,845</u>	<u>\$ 103,528,774</u>
Net revenues (expenses):				
Governmental activities	<u>\$ (5,411,500)</u>	<u>\$ 11,483,066</u>	<u>\$ (10,865,534)</u>	<u>\$ 18,102,002</u>
Business-type activities	<u>2,714,210</u>	<u>1,584,898</u>	<u>8,850,407</u>	<u>34,023,195</u>
Total net revenues (expenses)	<u>\$ (2,697,290)</u>	<u>\$ 13,067,964</u>	<u>\$ (2,015,127)</u>	<u>\$ 52,125,197</u>
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Property tax	\$ 3,566,656	\$ 3,980,606	\$ 4,285,832	\$ 4,710,374
Sales and use taxes	6,209,105	6,337,138	9,211,228	12,001,476
Franchise taxes	518,183	771,288	877,633	1,204,106
Other taxes	743,896	565,715	634,335	666,791
Motor vehicle in lieu, unrestricted	1,324,094	1,555,026	1,794,526	1,898,011
Investment income	346,915	19,282	979,493	1,996,503
Other general revenues	1,745,978	10,090,096	379,591	149,364
Transfers	(421,353)	(16,842,538)	(137,582)	2,439,302
Total governmental activities	<u>\$ 14,033,474</u>	<u>\$ 6,476,613</u>	<u>\$ 18,025,056</u>	<u>\$ 25,065,927</u>
Business-type activities:				
Investment income	\$ 200,063	\$ 214,510	\$ 405,014	\$ 782,839
Miscellaneous	416,119	864,319	907,527	1,599,048
Transfers	421,353	16,842,538	137,582	(2,439,302)
Total business-type activities	<u>\$ 1,037,535</u>	<u>\$ 17,921,367</u>	<u>\$ 1,450,123</u>	<u>\$ (57,415)</u>
Total primary government	<u>\$ 15,071,009</u>	<u>\$ 24,397,980</u>	<u>\$ 19,475,179</u>	<u>\$ 25,008,512</u>
Changes in net position				
Governmental activities	\$ 8,621,974	\$ 17,959,679	\$ 7,159,522	\$ 43,167,929
Business-type activities	3,751,745	19,506,265	10,300,530	33,965,780
Total primary government	<u>\$ 12,373,719</u>	<u>\$ 37,465,944</u>	<u>\$ 17,460,052</u>	<u>\$ 77,133,709</u>

CITY OF LATHROP
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

2020	2021	2022	2023	2024	2025
\$ 5,944,111	\$ 6,544,720	\$ 6,994,053	\$ 9,350,898	\$ 11,905,173	\$ 14,094,572
12,121,072	11,729,668	11,628,050	15,350,996	19,911,396	23,027,105
19,195,792	19,892,748	14,711,011	36,027,481	25,161,304	28,341,417
1,468,471	1,466,177	11,559,470	3,999,365	4,895,105	5,921,321
1,317,693	8,227,717	1,805,271	1,537,163	1,240,390	1,071,454
89,123	241,454	233,740	225,835	217,739	209,452
<u>\$ 40,136,262</u>	<u>\$ 48,102,484</u>	<u>\$ 46,931,595</u>	<u>\$ 66,491,738</u>	<u>\$ 63,331,107</u>	<u>\$ 72,665,321</u>
\$ 6,906,021	\$ 6,767,503	\$ 7,099,213	\$ 9,130,486	\$ 8,809,160	\$ 9,534,309
7,476,439	7,926,063	7,853,576	9,457,406	11,907,501	14,838,044
<u>\$ 14,382,460</u>	<u>\$ 14,693,566</u>	<u>\$ 14,952,789</u>	<u>\$ 18,587,892</u>	<u>\$ 20,716,661</u>	<u>\$ 24,372,353</u>
<u>\$ 54,518,722</u>	<u>\$ 62,796,050</u>	<u>\$ 61,884,384</u>	<u>\$ 85,079,630</u>	<u>\$ 84,047,768</u>	<u>\$ 97,037,674</u>
\$ 465,303	\$ 6,961,502	\$ 9,212,336	\$ 8,753,003	\$ 9,244,857	\$ 9,862,458
504,277	243,035	139,111	51,938	390,330	171,414
473,036	3,581,829	2,816,090	3,250,469	4,672,841	4,952,767
285,143	124,652	363,671	379,681	401,615	364,280
6,507,913	3,880,053	8,161,272	6,041,251	5,455,638	6,708,195
6,105,531	2,709,984	5,236,622	7,477,256	5,756,573	3,702,822
43,291,735	16,740,299	25,390,248	66,235,438	58,107,420	83,805,014
<u>\$ 57,632,938</u>	<u>\$ 34,241,354</u>	<u>\$ 51,319,350</u>	<u>\$ 92,189,036</u>	<u>\$ 84,029,274</u>	<u>\$ 109,566,950</u>
\$ 10,352,614	\$ 10,239,976	\$ 10,758,681	\$ 10,765,615	\$ 11,263,135	\$ 12,441,430
8,633,545	8,776,287	9,141,235	10,428,292	11,386,277	12,577,405
-	-	-	-	-	-
11,691,580	6,862,837	-	29,098,366	24,529,892	14,316,304
<u>\$ 30,677,739</u>	<u>\$ 25,879,100</u>	<u>\$ 19,899,916</u>	<u>\$ 50,292,273</u>	<u>\$ 47,179,304</u>	<u>\$ 39,335,139</u>
\$ 88,310,677	\$ 60,120,454	\$ 71,219,266	\$ 142,481,309	\$ 131,208,578	\$ 148,902,089
\$ 17,496,676	\$ (13,861,130)	\$ 4,387,755	\$ 25,697,298	\$ 20,698,167	\$ 36,901,629
16,295,279	11,185,534	4,947,127	31,704,381	26,462,643	14,962,786
<u>\$ 33,791,955</u>	<u>\$ (2,675,596)</u>	<u>\$ 9,334,882</u>	<u>\$ 57,401,679</u>	<u>\$ 47,160,810</u>	<u>\$ 51,864,415</u>
\$ 5,333,918	\$ 8,613,482	\$ 8,613,482	\$ 10,509,687	\$ 12,178,582	\$ 13,217,096
10,501,615	18,190,475	18,190,475	21,285,429	21,039,383	19,809,001
1,241,635	1,530,878	1,530,878	2,285,062	2,772,994	2,979,604
582,552	30,620,998	30,620,998	15,842,524	3,752,539	3,911,374
2,193,976	738,708	738,708	3,413,255	4,330,413	4,862,283
2,786,291	701,941	701,941	3,901,381	5,951,704	8,085,732
184,705	945,547	945,547	381,860	1,026,228	536,691
3,255,411	1,777,930	1,777,930	3,143,911	1,808,102	(20,154,571)
<u>\$ 26,080,103</u>	<u>\$ 63,119,959</u>	<u>\$ 63,119,959</u>	<u>\$ 60,763,109</u>	<u>\$ 52,859,945</u>	<u>\$ 33,247,210</u>
\$ 741,372	\$ 364,403	\$ 364,403	\$ 952,746	\$ 3,603,153	\$ 4,269,570
4,909,595	5,692,221	5,692,221	6,526,718	620,278	1,501,418
(3,255,411)	(1,777,930)	(1,777,930)	(3,143,911)	(1,808,102)	20,154,571
<u>\$ 2,395,556</u>	<u>\$ 4,278,694</u>	<u>\$ 4,278,694</u>	<u>\$ 4,335,553</u>	<u>\$ 2,415,329</u>	<u>\$ 25,925,559</u>
<u>\$ 28,475,659</u>	<u>\$ 67,398,653</u>	<u>\$ 67,398,653</u>	<u>\$ 65,098,662</u>	<u>\$ 55,275,274</u>	<u>\$ 59,172,769</u>
\$ 43,576,779	\$ 49,258,829	\$ 67,507,714	\$ 86,460,407	\$ 73,558,112	\$ 70,148,839
18,690,835	15,464,228	9,225,821	36,039,934	28,877,972	40,888,345
<u>\$ 62,267,614</u>	<u>\$ 64,723,057</u>	<u>\$ 76,733,535</u>	<u>\$ 122,500,341</u>	<u>\$ 102,436,084</u>	<u>\$ 111,037,184</u>

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General fund:				
Nonspendable	\$ 6,665,677	\$ 6,180,434	\$ 5,650,104	\$ 5,225,742
Restricted	-	-	-	-
Committed	2,233,234	-	-	-
Assigned	-	-	-	-
Unassigned	<u>12,861,107</u>	<u>16,496,212</u>	<u>21,538,365</u>	<u>31,169,562</u>
Total general fund	<u><u>\$ 21,760,018</u></u>	<u><u>\$ 22,676,646</u></u>	<u><u>\$ 27,188,469</u></u>	<u><u>\$ 36,395,304</u></u>
 All other governmental funds:				
Restricted	\$ 4,513,322	\$ 4,701,300	\$ 3,797,087	\$ 4,701,645
Committed	25,829,474	35,779,675	36,015,106	49,619,728
Assigned	975,042	784,139	663,674	549,720
Unassigned	<u>(233)</u>	<u>(120)</u>	<u>-</u>	<u>(163,756)</u>
Total all other governmental funds	<u><u>\$ 31,317,605</u></u>	<u><u>\$ 41,264,994</u></u>	<u><u>\$ 40,475,867</u></u>	<u><u>\$ 54,707,337</u></u>

* FY2021 reflects the implementation of GASB 84.

Source: City of Lathrop, California

CITY OF LATHROP
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2020</u>	<u>2021*</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 3,470,982	\$ 3,282,311	\$ 2,405,864	\$ 9,766,137	\$ 8,860,658	\$ 8,328,220
-	-	-	-	-	-
29,678,802	29,664,824	44,763,906	40,447,513	37,882,299	30,410,317
2,616,835	-	-	-	-	-
4,289,278	6,679,913	5,704,542	6,145,676	15,302,060	22,559,460
<u>\$ 40,055,897</u>	<u>\$ 39,627,048</u>	<u>\$ 52,874,312</u>	<u>\$ 56,359,326</u>	<u>\$ 62,045,017</u>	<u>\$ 61,297,997</u>
\$ 9,116,860	\$ 41,955,830	\$ 41,419,819	\$125,033,370	\$143,048,173	\$188,519,998
58,214,668	-	-	7,556,009	24,241,497	9,978,478
572,817	-	-	-	-	-
(2,500)	(169,617)	(521,256)	(409,608)	(5,330)	(1,506)
<u>\$ 67,901,845</u>	<u>\$ 41,786,213</u>	<u>\$ 40,898,563</u>	<u>\$132,179,771</u>	<u>\$167,284,340</u>	<u>\$198,496,970</u>

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Revenues:				
Taxes and assessments	\$ 18,494,460	\$ 22,885,183	\$ 22,571,206	\$ 35,307,490
Licenses and permits	1,283,193	1,808,623	1,266,197	1,823,951
Fines, forfeitures, and penalties	1,658,639	1,949,910	2,237,680	2,542,551
Intergovernmental	5,489,546	3,134,272	4,420,261	4,373,978
Use of Money & Property	382,724	392,493	1,366,160	2,433,126
Charges for current services	3,725,964	3,605,846	3,508,608	4,656,065
Contributions (Developer)	-	19,675,946	2,751,850	536,277
Other	3,523,548	1,353,215	813,734	550,982
Total revenues	<u>\$ 34,558,074</u>	<u>\$ 54,805,488</u>	<u>\$ 38,935,696</u>	<u>\$ 52,224,420</u>
Expenditures				
Current:				
General government	\$ 4,675,898	\$ 4,406,106	\$ 4,770,853	\$ 5,137,588
Community development	1,657,178	784,763	1,109,714	838,993
Public safety	7,297,872	9,560,119	10,724,423	11,222,012
Public works	6,687,275	7,616,246	7,048,016	9,984,165
Culture and leisure	1,296,370	1,226,638	1,275,334	1,384,798
Capital Outlay	4,361,924	2,920,897	9,761,990	2,643,451
Debt service:				
Principal retirement	1,683,347	265,000	285,000	-
Lease principal retirement	-	-	-	-
Interest and fiscal charges	390,710	319,164	100,088	46,410
Total expenditures	<u>\$ 28,050,574</u>	<u>\$ 27,098,933</u>	<u>\$ 35,075,418</u>	<u>\$ 31,257,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 6,507,500</u>	<u>\$ 27,706,555</u>	<u>\$ 3,860,278</u>	<u>\$ 20,967,003</u>
Other financing sources (uses):				
Proceeds from issuance of long-term de	\$ (1,191,652)	\$ -	\$ -	\$ -
Transfers in	12,971,420	10,394,523	12,389,403	14,380,867
Transfers out	(13,392,773)	(27,237,061)	(12,526,985)	(11,941,565)
Lease and Software Subscriptions	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Total other financing sources (uses)	<u>\$ (1,613,005)</u>	<u>\$ (16,842,538)</u>	<u>\$ (137,582)</u>	<u>\$ 2,439,302</u>
Net change in fund balances	<u>\$ 4,894,495</u>	<u>\$ 10,864,017</u>	<u>\$ 3,722,696</u>	<u>\$ 23,406,305</u>
Debt service as a percentage of noncapital expenditures	9.6%	2.5%	1.5%	0.2%

* FY20/21 reflects the implementation of GASB 84.

Source: City of Lathrop, California

CITY OF LATHROP
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

<u>2020</u>	<u>2021*</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
\$ 32,969,640	\$ 59,694,541	\$ 67,116,103	\$ 53,295,237	\$ 65,425,623	\$ 65,068,458
2,930,344	3,191,727	386,466	2,205,203	382,588	301,403
1,973,138	1,628,103	1,588,616	1,529,724	1,680,006	1,748,947
5,281,487	7,045,036	10,094,787	18,140,197	12,045,766	12,961,759
3,299,084	701,941	(2,101,280)	4,030,511	10,292,129	12,945,089
4,523,327	6,208,805	13,859,233	8,654,509	9,771,762	11,431,330
357,105	7,595,547	10,621,451	2,017,292	4,198,284	24,353,636
657,995	945,547	1,344,184	374,377	1,014,518	1,090,746
<u>\$ 51,992,120</u>	<u>\$ 87,011,247</u>	<u>\$ 102,909,560</u>	<u>\$ 90,247,050</u>	<u>\$ 104,810,676</u>	<u>\$ 129,901,368</u>
\$ 5,748,979	\$ 6,241,381	\$ 7,124,908	\$ 9,372,651	\$ 11,145,202	\$ 13,680,470
1,153,119	1,220,515	1,722,885	1,282,370	1,235,413	1,076,468
12,001,225	11,507,852	11,552,853	14,956,148	17,502,513	19,719,387
10,701,329	19,627,773	16,617,416	25,566,909	15,582,558	17,361,431
1,411,336	1,323,042	3,405,473	3,921,574	3,555,970	2,073,341
6,950,445	11,300,021	24,267,638	22,666,952	21,770,137	24,570,280
290,000	300,000	352,316	315,000	320,000	330,000
-	-	-	367,507	357,610	591,563
89,123	241,454	233,740	225,835	217,739	209,452
<u>\$ 38,345,556</u>	<u>\$ 51,762,038</u>	<u>\$ 65,277,229</u>	<u>\$ 78,674,946</u>	<u>\$ 71,687,142</u>	<u>\$ 79,612,392</u>
\$ 13,646,564	\$ 35,249,209	\$ 37,632,331	\$ 11,572,104	\$ 33,123,534	\$ 50,288,976
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
24,940,959	35,131,963	26,553,563	43,691,356	45,415,512	40,063,910
(21,685,548)	(33,354,033)	(32,233,805)	(40,547,445)	(43,607,410)	(60,218,481)
			1,462,298	145,040	322,790
-	-	-	-	-	8,415
<u>\$ 3,255,411</u>	<u>\$ 1,777,930</u>	<u>\$ (5,680,242)</u>	<u>\$ 4,606,209</u>	<u>\$ 1,953,142</u>	<u>\$ (19,823,366)</u>
<u>\$ 16,901,975</u>	<u>\$ 37,027,139</u>	<u>\$ 31,952,089</u>	<u>\$ 16,178,313</u>	<u>\$ 35,076,676</u>	<u>\$ 30,465,610</u>
1.2%	1.4%	1.4%	1.6%	1.8%	2.1%

CITY OF LATHROP
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collection in Subsequent Years	Total Collection to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	3,353,607	3,353,607	100.00%	-	3,353,607	100.00%
2017	3,727,479	3,727,479	100.00%	-	3,727,479	100.00%
2018	4,125,753	4,125,753	100.00%	-	4,125,753	100.00%
2019	4,309,587	4,309,587	100.00%		4,309,587	100.00%
2020	4,812,631	4,812,631	100.00%		4,812,631	100.00%
2021	5,326,609	5,326,609	100.00%		5,326,609	100.00%
2022	5,853,282	5,853,282	100.00%		5,853,282	100.00%
2023	6,697,606	6,697,606	100.00%		6,697,606	100.00%
2024	7,330,491	7,330,491	100.00%		7,330,491	100.00%
2025	8,807,010	8,807,010	100.00%		8,807,010	100.00%

Source: County of San Joaquin, California, Office of the Controller.

CITY OF LATHROP
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

Fiscal Year	City				Net Taxable Assessed Value	Total Direct Tax Rate
	Gross Taxable Assessed Value			Less: Exemptions		
	Secured	Unsecured	SBE Nonunitary			
2016	2,188,540,780	198,130,929	5,070,340	(18,624,442)	2,373,117,607	0.141%
2017	2,559,643,198	163,451,777	6,170,020	(18,624,442)	2,710,640,553	0.138%
2018	2,941,872,358	174,127,391	6,170,020	(18,831,913)	3,103,337,856	0.133%
2019	3,117,977,243	190,538,705	6,170,020	-	3,314,685,968	0.130%
2020	3,554,886,516	282,202,562	6,170,020	-	3,843,259,098	0.125%
2021	4,139,024,746	280,821,500	15,952,158	-	4,435,798,404	0.120%
2022	4,787,945,754	304,082,430	15,952,158	-	5,107,980,342	0.115%
2023	5,732,986,696	363,749,894	15,952,158	-	6,112,688,748	0.110%
2024	7,186,176,227	553,069,576	15,952,158	-	7,755,197,961	0.095%
2025	8,087,025,683	603,508,724	17,172,429	-	8,707,706,836	0.101%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: County of San Joaquin, California, Office of the County Assessor.

CITY OF LATHROP
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
TESLA MOTORS INC	\$ 398,081,044	1	4.57%	\$ 67,457,784	1	2.84%
LIT INDUSTRIAL LP	244,353,490	2	2.81%	-		
EXETER 5150 GLACIER LP	195,000,000	3	2.24%	-		
DPIF4 CALIFORNIA GLACIER LP	138,314,070	4	1.59%			
YOSEMITE LATHROP 2 LLC	117,616,965	5	1.35%			
J R SIMPLOT COMPANY CORPORATION	89,160,199	6	1.02%	54,861,994	2	2.31%
CALIFIA LLC	89,057,049	7	1.02%	41,504,810	5	1.75%
ASP AND RWM PROPERTIES ETAL	80,348,030	8	0.92%	-		
PW FUND A LP	78,006,040	9	0.90%			
DG SOUTH HARLAN PROP OWNERS	77,576,100	10	0.89%	-		
CENTERPOINT PROPERTIES TRUST	-			48,074,600	3	2.03%
SUPER STORES INDUSTRIES	-			39,873,217	6	1.68%
CALIFORNIA NATURAL PRODUCTS	-			43,739,665	4	1.84%
LBA REALTY FUND	-			38,435,164	7	1.62%
LATHROP LAND ACQUISITION LLC	-			32,044,962	8	1.35%
LCP REMAINDER TRUST ETAL	-			29,815,956	9	1.26%
700 D'ARCY PARKWAY INVESTORS LLC	-			29,000,000	10	1.22%
Total	<u>\$ 1,507,512,987</u>		<u>17.31%</u>	<u>\$ 424,808,152</u>		<u>17.90%</u>

Source: County of San Joaquin, California, Office of the County Assessor.

CITY OF LATHROP
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
(rate per \$100 of assessed value)

Fiscal Year	Basic County-wide Levy ⁽¹⁾	School ⁽²⁾	All Other	Total Rate
2016	1.00000%	0.14200%	0.00000%	1.14200%
2017	1.00000%	0.12820%	0.00000%	1.12820%
2018	1.00000%	0.13030%	0.00000%	1.13030%
2019	1.00000%	0.12280%	0.00000%	1.12280%
2020	1.00000%	0.11400%	0.00000%	1.11400%
2021	1.00000%	0.10490%	0.00000%	1.10490%
2022	1.00000%	0.13820%	0.00000%	1.13820%
2023	1.00000%	0.13660%	0.00000%	1.13660%
2024	1.00000%	0.12940%	0.00000%	1.12940%
2025	1.00000%	0.12940%	0.00000%	1.12940%

NOTE:

(1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies, including the City of Lathrop, for which the subject property resides within. The City of Lathrop's portion varies by several Tax Rate Areas (TRAs) within the City.

Source: San Joaquin County Assessor 2018/16 - 2024/25 Tax Rate Table

CITY OF LATHROP
Sales Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Measure K Rate	Measure C General Purpose		Transportation Development Act Rate	San Joaquin County Rate	State of California Rate	Total
2016	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.25%	9.00%
2017	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2018	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2019	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2020	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2021	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2022	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2023	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2024	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%
2025	1.00%	0.50%	1.00%	**	0.25%	1.00%	5.00%	8.75%

NOTE:

* A 1.00% increase in Sales and Use Tax became effective as of April 1, 2009 to augment the State of California's budget. On May 19, 2009, the voters did not approve the proposed "Budget Stabilization" constitutional amendment and the expiration date of this 1.00% increase was on July 1, 2011.

** On November 6, 2012 the voters of Lathrop approved Measure C. Measure C is an additional 1% sales tax to be used for Public Safety and essential City services.

*Source: City of Lathrop, California Finance Department
County of San Joaquin, California, Office of the Auditor-Controller*

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CITY OF LATHROP
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)
Adjusted for Economic Data

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Apparel Stores	\$ 139	\$ 158	\$ 170	\$ 168	\$ 144
Eating and Drinking Places	20,908	23,903	28,457	30,705	34,609
Building Materials	18,952	24,498	24,208	52,600	34,920
Auto Dealers and Supplies	20,853	23,241	50,570	64,383	71,514
Service Stations	58,064	51,774	65,073	104,988	109,926
Other Retail Stores	54,594	56,292	55,085	56,151	60,348
All Other Outlets	86,860	73,171	95,495	162,171	144,818
Total Positions	<u>\$ 260,370</u>	<u>\$ 253,037</u>	<u>\$ 319,058</u>	<u>\$ 471,166</u>	<u>\$ 456,279</u>

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, & The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the the City's revenue.

CITY OF LATHROP
Taxable Sales by Category
Last Ten Calendar Years
(in thousands of dollars)
Adjusted for Economic Data

2020	2021	2022	2023	2024
\$ 78	\$ 70	\$ 117	\$ 106	\$ 127
40,337	53,796	59,154	63,985	64,754
29,890	33,764	38,075	35,477	64,569
55,105	51,310	53,718	72,457	53,402
91,861	130,148	172,622	148,138	140,361
70,847	78,761	81,979	82,164	83,278
346,766	640,965	776,782	754,910	621,402
<u><u>\$ 634,884</u></u>	<u><u>\$ 988,814</u></u>	<u><u>\$ 1,182,447</u></u>	<u><u>\$ 1,157,237</u></u>	<u><u>\$ 1,027,893</u></u>

CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Gross Assessed Valuation	\$ 2,373,117,607	\$ 2,710,640,553	\$ 3,103,337,856	\$ 3,314,685,968
Debt Margin Ratio (1)	3.75%	3.75%	3.75%	3.75%
Debt Margin (Limit)	\$ 88,991,910	\$ 101,649,021	\$ 116,375,170	\$ 124,300,724
Less: total net debt applicable to limit: General obligation bonds	\$ -	\$ -	\$ -	\$ -
Net Legal Debt Margin	<u>\$ 88,991,910</u>	<u>\$ 101,649,021</u>	<u>\$ 116,375,170</u>	<u>\$ 124,300,724</u>
Total debt applicable to the the limit as a percentage of debt limit	0%	0%	0%	0%

Notes

(1) The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computation shown above reflects a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state. The limit shown is 3.75% (one-fourth of the previous limit of 15%).

Source: City of Lathrop, California Finance Department and the County of San Joaquin, California, Office of the Controller

CITY OF LATHROP
Legal Debt Margin Information
Last Ten Fiscal Years

2020	2021	2022	2023	2024	2025
\$ 3,843,259,098	\$ 4,435,798,404	\$ 5,107,980,342	\$ 6,112,688,748	\$ 7,755,197,961	\$ 8,707,706,836
3.75%	3.75%	3.75%	3.75%	3.75%	3.75%
\$ 144,122,216	\$ 166,342,440	\$ 191,549,263	\$ 229,225,828	\$ 290,819,924	\$ 326,539,006
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 144,122,216	\$ 166,342,440	\$ 191,549,263	\$ 229,225,828	\$ 290,819,924	\$ 326,539,006
0%	0%	0%	0%	0%	0%

CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities	
	Financed Purchases	Leases and SBITAS (1)	Total Governmental Activities	Water Revenue Bonds	Notes
2016	4,190,000		4,190,000	12,635,000	
2017	3,925,000		3,925,000	11,455,000	(3)
2018	3,640,000		3,640,000	10,846,145	
2019	3,640,000		3,640,000	10,207,524	
2020	3,350,000		3,350,000	9,550,312	
2021	3,050,000		3,050,000	8,873,969	
2022	2,745,000	129,135	2,874,135	8,177,936	
2023	2,430,000	1,094,791	3,524,791	7,461,642	
2024	2,110,000	882,221	2,992,221	6,724,497	
2025	1,780,000	613,448	2,393,448	5,965,895	

(1) Implementation of GASB 87 and GASB 96

(3) These ratios are calculated using personal income and population for the prior calendar year.

(3) On May 2017, the City refunded the Water Revenue Bonds.

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Outstanding Debt
Last Ten Fiscal Years

Business-type Activities					
PNC Bank Loan	State Revolving Fund Loan	Total Business- type Activities	Total Primary Government	Percentage of Personal Income	Debt Per Capita (2)
5,070,256	8,160,773	25,866,029	30,056,029	82.47%	1,301
4,755,863	7,749,237	23,960,100	27,885,100	69.04%	1,149
4,430,488	7,328,146	22,604,779	26,244,779	57.43%	1,081
4,093,638	6,897,278	21,198,440	24,838,440	47.89%	996
3,744,895	6,456,406	19,751,613	23,101,613	44.54%	861
3,383,839	6,005,297	18,263,105	21,313,105	37.65%	748
3,010,037	5,554,128	16,742,101	19,616,236	31.08%	626
2,623,175	5,071,412	15,156,229	18,681,020	22.54%	533
2,222,444	4,588,144	13,535,085	16,527,306	16.41%	446
1,821,713	4,099,298	11,886,906	14,280,354	12.12%	370

CITY OF LATHROP
Computation of Direct and Overlapping Debt
June 30, 2025

FY 2024/25 City Assessed Valuation	\$ 8,707,706,836
Redevelopment Agency Incremental Valuation	\$ -
Adjusted Assessed Valuation	<u>\$ 8,707,706,836</u>

	Total Debt 6/30/25	Percentage Applicable to City of Lathrop (1)	City's Share of Debt 6/30/2025
Overlapping Tax and Assessment Debt			
San Joaquin Delta Community College District	\$ 148,565,000	6.928%	\$ 10,292,583
Manteca Unified School District	378,163,008	24.217%	91,579,736
Tracy Unified School District	23,065,000	0.001%	231
Banta School District	205,000	78.216%	160,343
Manteca Unified School District Community Facility District No. 1989-2	13,770,000	20.749%	2,857,137
Manteca Unified School District Community Facility District No. 2005-4	4,345,000	100.000%	4,345,000
Banta School District Community Facilities District No. 2011-1	1,976,000	100.000%	1,976,000
River Islands Public Financing Authority Community Facilities District No. 2003-1, I.A. No. 1	314,860,000	100.000%	314,860,000
River Islands Public Financing Authority Community Facilities District No. 2003-1, I.A. No. 2	27,385,000	100.000%	27,385,000
River Islands Public Financing Authority Community Facilities District No. 2015-1	185,110,000	100.000%	185,110,000
River Islands Public Financing Authority Community Facilities District No. 2016-1	68,340,000	100.000%	68,340,000
River Islands Public Financing Authority Community Facilities District No. 2019-1	62,150,000	100.000%	62,150,000
River Islands Public Financing Authority Community Facilities District No. 2020-1	48,115,000	100.000%	48,115,000
River Islands Public Financing Authority Community Facilities District No. 2021-1	35,100,000	100.000%	35,100,000
River Islands Public Financing Authority Community Facilities District No. 2023-1, I.A. No. 1	28,230,000	100.000%	28,230,000
River Islands Public Financing Authority Community Facilities District No. 2023-1, I.A. No. 2	60,405,000	100.000%	60,405,000
City of Lathrop Community Facilities District No 2003-1	3,285,000	100.000%	3,285,000
City of Lathrop Community Facilities District No 2003-2	3,895,000	100.000%	3,895,000
City of Lathrop Community Facilities District No 2018-1, I.A.s 1-5	45,080,000	100.000%	45,080,000
City of Lathrop 1915 Act Bonds	17,455,000	100.000%	17,455,000
Reclamation District No. 17 Assessment District	19,320,000	59.647%	11,523,800
California Statewide Community Development Authority 1915 Act Bonds	5,510,000	100.000%	5,510,000
Total Overlapping Tax and Assessment Debt	<u>\$ 1,494,329,008</u>		<u>\$ 1,027,654,830</u>
Ratios to FY 2024/25 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt		11.80%	
Direct and Overlapping General Fund Obligation Debt			
San Joaquin County Certificates of Participation	43,190,000	7.477%	3,229,316
Manteca Unified School District General Fund Obligations	9,985,000	24.217%	2,418,067
City of Lathrop General Fund Obligations	1,780,000	100.000%	1,780,000
Lathrop-Manteca Rural Fire Protection District Certificates of Participation	3,245,000	82.157%	2,665,995
Total Direct and Overlapping General Fund Debt			<u>\$ 10,093,378</u>
Total Direct Debt			<u>\$ 1,780,000</u>
Total Overlapping Debt			<u>\$ 1,035,968,208</u>
Combined Total Debt			<u>\$ 1,037,748,208</u> (2)

(1) For all outside agency debt referenced on this statement, the city's overlapping debt obligation is based upon the proration of the aggregate issuance as directed by each issue's underlying funding agreement. The proration is generally based on the percentae of the overlapping agency's assessed valuation located within boundaries of the city.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded financed purchased obligations.

Ratios to Adjusted Assessed Valuation	
Total Direct Debt	0.02%
Combined Total Debt	11.92%

Source: California Municipal Statistics, Inc.

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CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years

Fiscal Year	Water Revenue (3)	2000 Certificates of Participation/ PNC Bank Loan (1)				
		Less Operating Expenses (4)	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	6,385,191	3,479,010	2,906,181	303,550	185,450	5.94
2017	7,834,887	4,366,161	3,468,726	314,393	174,733	7.09
2018	8,491,689	4,969,618	3,522,071	325,363	163,637	7.20
2019	9,212,760	6,303,489	2,909,271	336,850	152,150	5.95
2020	10,949,739	5,539,228	5,410,511	348,743	140,257	11.06
2021	10,241,182	6,216,829	4,024,353	361,056	127,944	8.23
2022	10,763,857	6,591,591	4,172,266	373,803	115,197	8.53
2023	11,085,970	8,667,182	2,418,788	386,862	101,900	4.95
2024	13,474,602	8,470,498	5,004,104	400,664	88,336	10.23
2025	15,845,022	9,162,928	6,682,094	414,810	74,190	13.66

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
Operating expenses do not include interest or depreciation expenses.

- (1) The 2000 COP's were refunded by the PNC Bank Loan on May 4, 2012.
The Required Debt coverage ratio for the PNC Bank Loan is 1.10%.
- (2) The Required Debt coverage ratio for 2003 COP's/ Pacific Premier Bank Loan & SRF Loan is 1.00%.
- (3) Gross revenues include interest earnings and connection fees.
- (4) Operating expenses from Statement of Revenues, Expenses and Changes.
- (5) Source: Debt Service Schedule. The Water Revenue Certificates of Deposit Series 1993A were funded on May 24, 2000. On May 24, 2000 the City issued the Installment Purchase Certificates of Participation, 2000 Series A. On July 16, 2003 the City issued Revenue Bonds (Water Supply Project), Series 2003. On May 4, 2012 the Compass Bank Loan refunded the 2000 COPs (Compass Bank Loan Cash Flow and Yield Verification Report)

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Pledged-Revenue Coverage
Last Ten Fiscal Years

2003 COP's/ Pacific Premier Bank Loan & SRF Loan (2)

Debt Service

Net Available Revenue (5)	Principal	Interest	Coverage
2,417,181	402,196	945,592	1.79
2,979,600	411,536	936,254	2.21
3,033,071	421,091	926,699	2.25
2,420,271	1,069,489	475,545	1.57
4,921,511	1,093,053	451,981	3.19
3,535,353	1,122,305	422,729	2.29
3,683,266	1,152,348	392,686	2.38
1,930,026	1,193,631	361,403	1.24
4,515,104	1,220,413	324,621	2.92
6,193,094	1,231,634	313,400	4.01

CITY OF LATHROP
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2015	22,112	354,280	16,022	8.5%
2016	23,110	364,434	15,769	7.8%
2017	24,268	403,896	16,643	6.3%
2018	24,936	457,006	18,327	5.2%
2019	26,833	518,675	19,329	4.3%
2020	28,503	566,062	19,859	9.6%
2021	31,331	631,164	20,145	8.4%
2022	35,080	828,800	23,625	5.1%
2023	37,033	1,006,915	27,189	7.0%
2024	38,596	1,178,274	30,528	5.5%

Sources: (1) *California State Department of Finance*
(2) *2010 and later - Income, Age and Education Data - US Census Bureau,
most recent American Community Survey*

CITY OF LATHROP
Principal Employers
Current Year and Nine Years Ago

Employer	2025			2016		
	Number of Employees	Rank	Percent of Total Employment	Number of Employees	Rank	Percent of Total Employment
Tesla	2,176	1	16.38%			
United Parcel Service (UPS)	1,460	2	10.99%			
Wayfair	431	3	3.24%			
California Natural Products (CNP)	419	4	3.15%			
Lathrop Logistics	386	5	2.91%			
Manteca Unified SD (Lathrop Schools)	383	6	2.88%			
Army Air Force Exchange Service	356	7	2.68%			
Banta Unified SD (Lathrop Schools)	353	8	2.66%			
In-N-Out Burger	353	8	2.66%			
Simwon America	353	8	2.66%			
Diamond Pet Foods	202	9	1.52%	100	5	1.39%
Pratt Industries	200	10	1.51%			
Ashley Furniture	180	11	1.36%			
City of Lathrop	178	12	1.34%	100	5	1.39%
CBC Steel Buildings	175	13	1.32%	150	4	2.08%
Target	172	14	1.29%			
Medline	158	15	1.19%			
Pfug Packaging	150	16	1.13%	200	2	2.78%
Home Depot	132	17	0.99%	150	4	2.08%
Swiss American Sausage	115	18	0.87%	175	3	2.43%
Dragon Products	111	19	0.84%			
Crosslink Professional Tax Solutions	110	20	0.83%			
Kraft Heinz	100	21	0.75%			
Smart Refrigerated Transport	100	21	0.75%	100	5	1.39%
Kaiser Permanente	92	22	0.69%	100	5	1.39%
Carpenter Company						
Cen Cal Plastering				100	5	1.39%
Food 4 Less				700	1	9.72%
JC Penney Distribution Center				200	2	2.78%
JR Simplot Company				150	4	2.08%
Pilkington North America Inc						
Super Store Industries (SSI)						

"Total Employment" as used above represents the Estimated total employment of all employers located within City limits.

Source: California Labor Market Information, California EDD Website (www.ca.gov)
City of Lathrop Community Development Department

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

Function	2016	2017	2018	2019	2020	2021
General Government	24.60	23.60	23.60	24.60	26.60	28.63
Public Safety (1)	36.98	37.98	35.98	36.98	36.98	36.98
Public Works	29.50	30.80	33.80	40.47	40.47	42.47
Community Development	4.00	3.10	4.10	4.43	4.43	4.40
Culture & Leisure	21.00	20.56	21.01	21.01	21.01	28.60
Total Positions	116.08	116.04	118.49	127.49	129.49	141.08

(1) In June of 2022 the City launched its own police department. San Joaquin County Sheriff provided police protection prior to June 2022

Fire Service is provided by Lathrop Manteca Fire District.

Source: City of Lathrop, California Annual Adopted Budgets.

CITY OF LATHROP
Full-Time and Part-Time City Employees by Function
Last Ten Fiscal Years

2022	2023	2024	2025
30.63	35.25	36.25	38.25
53.68	57.00	63.00	69.00
45.47	44.65	45.65	54.65
5.40	4.10	4.10	4.10
30.60	36.45	36.45	26.45
<u>165.78</u>	<u>177.45</u>	<u>185.45</u>	<u>192.45</u>

CITY OF LATHROP
Operating Indicators by Function
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Police:										
Arrests	572	705	550	558	554	624	*	989	1,114	901
Parking Citations Issued	696	1,385	1,084	1,389	1,237	1,489	*	953	1,108	1,109
Code Enforcement										
Housing Cases	29	28	54	74	64	55	62	19	13	156
Public Nuisance Cases	287	345	204	126	165	210	176	46	61	347
Vehicle Cases	67	193	140	118	129	145	133	31	24	370
Weed Abatement Cases	2	108	122	126	124	120	123	26	34	465
Building Permits										
Single Family Dwellings	220	291	392	381	649	879	924	601	696	545
Parks and recreation:										
Number of recreation classes	56	67	116	126	95	72	176	208	217	253
Number of facility rentals	450	390	1,598	1,388	1,041	617	206	315	254	420
Water:										
New connections	179	163	392	381	649	879	924	658	631	877
Average daily consumption (thousands of gallons)	3,052	3,274	4,200	4,128	4,128	4,742	4,812	4,926	5,118	5,696
Sewer:										
New connections	179	163	392	381	649	879	924	658	631	877

* Transition to City of Lathrop, Police Department

Source: City of Lathrop

CITY OF LATHROP
Capital Assets Statistics by Function
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations (1)	-	-	-	-	-	-	-	-	-	-
Public works:										
Streets (miles)	84.20	84.20	92.90	92.90	97.90	109.70	113.70	128.94	139.48	144.75
Streetlights	1,472	1,472	1,835	1,835	1,835	2,135	2,135	2,221	2,267	2,250
Parks and recreation:										
Parks (2)	16	16	18	20	22	25	25	26	29	33
Community centers	2	2	2	2	2	2	2	2	2	2
Senior centers	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	101.80	101.80	101.80	142.00	147.00	159.00	163.00	179	189	184
Maximum daily capacity (thousands of gallons)	15,250	15,250	15,250	16,500	16,500	16,500	16,500	13,000	10,632	12,660
Wastewater:										
Sanitary sewer (miles)	71.00	71.00	71.00	91.80	96.80	108.80	111.80	126.15	135.40	132.00
Miles of Reclaimed Water Lines	21.80	21.80	21.80	21.80	25.80	27.80	29.80	29.26	29.26	29.26
Maximum daily treatment capacity (thousands of gallons)	2,200	1,450	1,450	3,140	3,140	3,140	3,140	3,950	3,950	3,950

NOTE:

- (1) The City of Lathrop's fire protection is provided by the Lathrop-Manteca Fire District.
- (2) Source: City of Lathrop, Parks and Recreation Guide

Source: City of Lathrop, California departmental sources.

CITY OF LATHROP
Water Sold by Type of Customer
Last Ten Fiscal Years
(in thousands of gallons)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Type of Customer:										
Residential	628,208	625,187	745,359	738,530	794,181	907,150	939,163	950,154	1,009,692	1,166,543
Industrial	283,410	278,985	395,110	415,471	406,181	435,637	433,258	530,793	439,478	389,692
Commercial	71,396	101,549	139,290	135,130	145,195	152,476	157,053	150,318	169,354	162,120
Governmental	177,791	139,511	149,952	126,761	144,421	199,298	187,615	154,425	137,806	162,809
Construction	-	49,923	103,309	91,038	85,601	36,154	39,357	17,122	23,082	22,027
Total	1,160,805	1,195,155	1,533,020	1,506,930	1,575,579	1,730,715	1,756,446	1,802,812	1,779,412	1,903,191
Total direct rate per 1,000 gallons \$	3.04	\$ 3.49	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99	\$ 3.99

Source: City of Lathrop, California Public Works Department

CITY OF LATHROP
Water Rates
Last Ten Fiscal Years

Fiscal Year	Monthly Base Rate	Rate per 1,000 Gallons	CSCDA Loan (1)	SCSWSP Facility Charge (2)
2016	12.80	3.04	-	9.10
2017	14.40	3.49	-	9.10
2018	16.30	3.99	-	9.10
2019	16.30	3.99	-	9.10
2020	16.30	3.99	-	9.10
2021	16.30	3.99	-	9.10
2022	16.30	3.99	-	9.10
2023	16.30	3.99	-	9.10
2024	16.30	3.99	-	9.10
2025	16.30	3.99	-	9.10

NOTE:

Rates are based on 5/8" meter, which is the standard household meter size.

- (1) State of California Loan under the Safe Drinking Water Bond Law of 1976 was paid off on March 1, 2001.
- (2) On July 16, 2003, The City of Lathrop issued \$32,530,000 in Revenue Bonds to finance the acquisition and construction of water system improvements and related facilities, including water treatment facilities and distribution pipelines and to pay cost of issuance. The bonds have an ascending interest rate ranging from 3% to 6% and a final maturity date of June 1, 2035.

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Ten Largest Water Customers
Current Year and Ten Years Ago

Water Customer	2025			2016		
	Water Charges	Rank	Percent of Total Water Revenues	Water Charges	Rank	Percent of Total Water Revenue
California Natural Products	\$ 968,347	1	8.24%			
City of Lathrop	463,402	2	3.95%	343,424	2	6.38%
Manteca Unified School District	273,134	3	2.33%	164,192	3	3.05%
UPS	117,918	4	1.00%			
Mossdale Landing	106,293	5	0.91%			
River Islands Public Finance Authority	82,528	6	0.70%	41,917	6	0.78%
Sansome Skyline Lathrop, LP	78,593	7	0.67%			
Super Store Industries	78,273	8	0.67%	105,616	4	1.96%
Tesla Motors Inc	72,273	9	0.62%	41,125	8	0.76%
IN-N-OUT Burger #804	68,053	10	0.62%	39,576	9	0.74%
Banta Elementary School District				47,325	5	0.88%
Crossroads Commerce Ctr Assoc				41,373	7	0.77%
Camino Real Mobile Estates				447,773	1	8.32%
DSRG				39,061	10	0.73%

Source: City of Lathrop, California Finance Department

CITY OF LATHROP
Top 25 Sales Tax Producers
Current Year and Nine Years Ago

2024		2015	
Business Name	Business Category	Business Name	Business Category
Percent of Fiscal Year Total Paid By Top 25 Accounts = 79.86%		Percent of Fiscal Year Total Paid By Top 25 Accounts = 82.37%	
Arco AM PM	Service Stations	Arco AM PM	Service Stations
Ashley Furniture Distribution	Fulfillment Centers	Boral Roofing	Contractors
Bizon Group	Warehouse/Farm/Const Equip	Carpenter Co	Textile/Furnishings
Boral Roofing	Contractors	CBC Steel Buidlings	Contractors
CBS Steel	Contractors	Chevron	Service Stations
Chevron	Service Stations	Eagles Nest Harley Davidson	Boats/Motorcycles
Chevron Fast & Easy	Service Stations	Fast Lane	Service Stations
Chevron Power Mart	Service Stations	FleetPride	Tralers/Auto Parts
CHI Overhead Doors	Contractors	Interior Specialists	Home Furnishings
Eagles Nest Harley Davidson	Boats/Mortorcycles	Joes Travel Plaza	Service Stations
Fast Lane	Service Stations	McDonalds	Quick Service Restaurants
Flying J Travel Plaza	Service Stations	Medcal Sales	Medical/Biotech
In N Out Burger	Quick-Service Restaruant	Mikasa Japanese Bistro	Casual Dining
Joes Travel Plaza	Service Stations	Nationwide Fleet	Boats/Motorcycles
Johns Manville	Contractors	Power Automation Systems	Light Industrial/Printers
Pape Kenworth	New Motor Vehicle Dealers	Save Mart	Grocery Stores Liquor
Raymond Handling Concepts	Warehouse/Farm/Const Equip	Shell	Service Stations
Target	Discount Department Store	Target	Discount Dept Stores
TEC Equipment	Trailers/Auto Parts	Top Gun Drywall Supply	Building Materials
Tesla	Trailers/Auto Parts	Totten Tubes	Heavy Industrial
Top Gun Drywall Supply	Building Materials	Tower Mart	Service Stations
Tuff Boy Sales	Trailers/RVs	Two Guys Food & Fuel Inc	Service Stations
Two Guys Food & Fuel Inc	Service Stations	USA Motors	Used Automotive Dealers
Wayfair	Fulfillment Centers	Utility Trailer Sales	Trailer/RVs
Western Pacific Crane & Equip	Heavy Industrial	Walgreens	Drug Store

* Firms Listed Alphabetically

Period: January 2024 thru December 2024

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office.

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**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM: **APPROVE OUT OF STATE TRAVEL FOR THE MAYOR TO ATTEND THE U.S. CONFERENCE OF MAYORS 94th WINTER MEETING**

RECOMMENDATION: **Adopt Resolution Authorizing Out of State Travel for the Mayor to Attend the U.S. Conference of Mayors 94th Winter Meeting in Washington, DC, January 27 - 30, 2026**

SUMMARY:

The United States Conference of Mayors is the official organization of cities with populations of 30,000 or more. Each city is represented in the conference by its Chief Elected Official, the Mayor. The purpose of the conference is to bring together Mayors of various regions to engage with the White House, Administration, and Congress to ensure that federal policy addresses the priorities of cities. The conference provides the Mayors with the opportunity to attend the Winter and Annual Meetings and serve on the Standing Committee where the Conference's policy priorities are shaped.

Through the conference, the Mayors can connect, network, and share best practices with other Mayors. The conference offers many meeting opportunities and in-person events that offer formal and informal opportunities to grow networking, providing support, insight, and camaraderie for many years to come.

City Council approval is requested for out-of-state travel for Mayor Akinjo to attend the U.S. Conference of Mayors 94th Winter Meeting, in Washington, DC, from January 27, 2026, to January 30, 2026. The estimated cost is approximately \$5,000, which includes registration, hotel, airfare, transportation, meals, and minor incidentals. The current City Council training and travel budget for FY 2025-26 has sufficient funds to cover this travel request.

FISCAL IMPACT:

The estimated cost to attend the U.S. Conference of Mayors 94th Winter Meeting is approximately \$5,000. Sufficient funds were budgeted for FY 2025-26 in the approved City Council training and travel budget in anticipation of the proposed travel.

ATTACHMENTS:

- A. Resolution Approving Out of State Travel to the U.S. Conference of Mayors 94th Winter Meeting to Washington, DC from January 27-30, 2026.
- B. U.S. Conference of Mayors 94th Winter Meeting Registration Information.

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
U.S. CONFERENCE OF MAYORS 94th WINTER MEETING**

PAGE 2

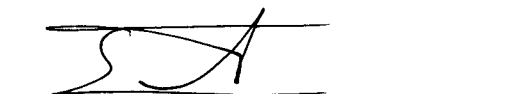
APPROVALS:



Teresa Vargas
Government Services Director
City Clerk

1/5/26


Date



Salvador Navarrete
City Attorney

1-5-2026

Date



Stephen J. Salvatore
City Manager

1.7.26

Date

RESOLUTION NO. 26-

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP
AUTHORIZING OUT OF STATE TRAVEL FOR MAYOR AKINJO TO ATTEND THE
U.S. CONFERENCE OF MAYORS 94th WINTER MEETING IN WASHINGTON, DC,
JANUARY 27 – 30, 2026**

WHEREAS, the U.S. Conference of Mayors is the official organization of cities with populations of 30,000 or more that allow each city to be represented in the conference by its Chief Elected Official; and

WHEREAS, the U.S Conference offers the elected Mayors to network, providing insight, camaraderie and opportunity to share best practices with other elected Mayors; and

WHEREAS, out of state travel approval is required for the Mayor to attend the U.S Conference of Mayors 94th Winter Meeting to be held in Washington, DC from January 27, 2026 through January 30, 2026; and

WHEREAS, the estimated cost to attend the U.S Conference of Mayors' 93rd Winter Meeting is approximately \$5,000, and sufficient funds were budgeted in the approved City Council training and travel budget for FY 2025-26 in anticipation of the proposed travel.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop authorize the out of state travel for Mayor Akinjo to attend and represent the City of Lathrop at the U.S Conference of Mayors 94th Winter Meeting to be held in Washington, DC from January 27, 2026, through January 30, 2026.

The foregoing resolution was passed and adopted this 12th day of January 2026, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Paul Akinjo, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney



THE UNITED STATES
CONFERENCE OF MAYORS

[Summary](#) [Agenda](#) [Fees](#) [Post Registration](#) ▼

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THE UNITED STATES CONFERENCE OF MAYORS

94th WINTER MEETING

WASHINGTON DC • January 28-30, 2026

Your Meeting Confirmation Number is:

7TN29MB96BM

ATTACHMENT " B "

Registration Summary

Review your registration information below

Paul Akinjo
pakinjo@ci.lathrop.ca.us

Mobile

Title

Organization
City of Lathrop

Address
390 Towne Centre Drive
City of Lathrop
Lathrop, California 95330
USA

Agenda

Item	Date	Price
Admission Item		
Event Registration		\$1,750.00
Sessions		
Breakfast Available	1/28/26, 8:00 AM - 1/28/26, 8:45 AM	Free
Opening Plenary Session	1/28/26, 8:45 AM - 1/28/26, 10:00 AM	Free
Wednesday Plenary Lunch	1/28/26, 12:45 PM - 1/28/26, 2:00 PM	Free
Mayors-Only Session	1/28/26, 4:45 PM - 1/28/26, 6:15 PM	Free
Opening Reception	1/28/26, 6:30 PM - 1/28/26, 8:00 PM	Free
Breakfast Available	1/29/26, 8:00 AM - 1/29/26, 8:45 AM	Free
Mayors and Business Leaders Plenary Session	1/29/26, 8:45 AM - 1/29/26, 10:00 AM	Free
Healthy and Sustainable Communities Plenary Lunch	1/29/26, 12:45 PM - 1/29/26, 2:00 PM	Free
"Welcome to Washington, D.C. Reception"	1/29/26, 7:00 PM - 1/29/26, 9:00 PM	Free
Breakfast Available	1/30/26, 8:00 AM - 1/30/26, 8:45 AM	Free
Honoring Leadership in the Arts Plenary Session	1/30/26, 8:45 AM - 1/30/26, 10:00 AM	Free
Executive Committee	1/30/26, 10:15 AM - 1/30/26, 11:45 AM	Free
Closing Plenary Lunch	1/30/26, 12:45 PM - 1/30/26, 2:00 PM	Free

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**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM: APPROVE OUT OF STATE TRAVEL FOR THREE MEMBERS OF COUNCIL TO ATTEND THE 2026 NATIONAL LEAGUE OF CITIES CONGRESSIONAL CITY CONFERENCE

RECOMMENDATION: Adopt Resolution Authorizing Out of State Travel for Three Members of Council to Attend the 2026 National League of Cities Congressional City Conference to Washington D.C., from March 14-18, 2026

BACKGROUND:

The National League of Cities (NLC) is an organization comprised of city, town, and village leaders dedicated to improving the quality of life for current and future residents. With over 100 years of experience, NLC provides educational programs, resources, and advocacy services focused on strengthening local governments and developing effective local leadership. The organization represents and supports more than 2,700 cities nationwide.

NLC's mission is to advocate for and protect the interests of cities, towns, and villages by influencing federal policy, strengthening local leadership, and advancing innovative solutions. To expand educational training opportunities and benefit from NLC's legislative advocacy and support services, the City of Lathrop became a member city in 2021.

The National League of Cities will host its 2026 Congressional City Conference from March 16–18, 2026, with Executive Education Preconference activities scheduled for March 14–15, 2026, in Washington, D.C. This will be the City Council's third participation in a National League of Cities Congressional City Conference.

City Council approval is required for out of state travel. Additionally, the attached resolution authorizing travel for Council Members to attend the National League of Cities 2026 Congressional City Conference is also required. The cost per Council Member is approximately \$6,000, which includes conference registration, hotel, airfare, transportation, meals (not provided by the conference), and other minor incidentals.

The adopted Fiscal Year 25–26 budget includes sufficient funding to support this travel for up to three Councilmembers. The City's current representatives to the National League of Cities are Mayor Akinjo, Vice Mayor Torres-O'Callaghan, and Councilmember Diallo. This action authorizes travel for up to three members of the City Council; however, travel arrangements will be made only after each Councilmember confirms their availability.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
NATIONAL LEAGUE OF CITIES 2026 CONGRESSIONAL CITY CONFERENCE

PAGE 2

If any of the three Councilmembers are unable to attend, no travel arrangements will be made on their behalf, and the unused funds will be returned to the City Council Training and Travel budget.

FISCAL IMPACT:

The estimated cost per Councilmember is approximately \$6,000, which includes conference registration, lodging, airfare, transportation, meals not provided by the conference, and other minor incidental expenses. The adopted Fiscal Year 2025–26 budget includes sufficient funding to support this travel for up to three Councilmembers.

ATTACHMENTS:

- A. Resolution Approving Out of State Travel to the 2026 National League of Cities Congressional City Conference to Washington, D.C. from March 14-18, 2026.
- B. 2026 National League of Cities Congressional City Conference to Washington, D.C. Registration Information.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
NATIONAL LEAGUE OF CITIES 2026 CONGRESSIONAL CITY CONFERENCE

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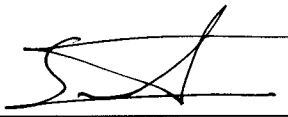
APPROVALS:



Teresa Vargas
Government Services Director &
City Clerk

1/6/26

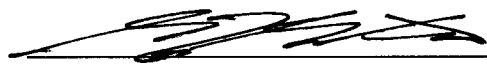
Date



Salvador Navarrete
City Attorney

1-6-2026

Date



Stephen J. Salvatore
City Manager

1.7.26

Date

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP AUTHORIZING OUT OF STATE TRAVEL FOR THREE MEMBERS OF COUNCIL TO ATTEND THE NATIONAL LEAGUE OF CITIES CONGRESSIONAL CITY TRIP TO WASHINGTON, D.C. FROM MARCH 14-18, 2026

WHEREAS, the National League of Cities (NLC) is an organization comprised of city, town and village leaders focused on improving the quality of life for their current and future constituents; and

WHEREAS, the NLC's mission is to advocate for, and protect the interests of, cities, towns and villages by influencing federal policy, strengthening local leadership and driving innovative solutions; and

WHEREAS, in order to expand educational training opportunities and take advantage of the legislative support services provided by the National League of Cities, the City of Lathrop became a member city in 2021; and

WHEREAS, the NLC will be hosting their 2025 Congressional City Conference, March 16th through the 18th, with Executive Education Preconference Activities March 14th through the 15th, in Washington, D.C.; and

WHEREAS, this would be the City Council's third time participating in the National League of Cities Congressional City conference; and

WHEREAS, City Council approval is required for out of state travel, therefore, the cost per Council Member is approximately \$6,000, which includes conference registration, hotel, airfare, transportation, meals (not provided by the conference), and other minor incidentals; and

WHEREAS, the adopted Fiscal Year 25-26 budget includes sufficient funding to support this travel for up to three Councilmembers. The City's current representatives to the National League of Cities are Mayor Akinjo, Vice Mayor Torres-O'Callaghan, and Councilmember Diallo; and

WHEREAS, this action authorizes travel for up to three members of the City Council; however, travel arrangements will be made only after each Councilmember confirms their availability. If any of the three Councilmembers are unable to attend, no travel arrangements will be made on their behalf, and the unused funds will be returned to the City Council Training and Travel budget.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby approve out of state travel for three members of Council to attend the National League of Cities 2026 Congressional City Conference, in Washington, D.C.

The foregoing resolution was passed and adopted this 12th day of January 2026, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Paul Akinjo, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

NLC

Registration Rates & Details

The Conference Made for Leaders Like You!

Gain the tools you need to tackle the new federal resources coming to local communities. Connect 1:1 with your peers and other attendees.

Ways to Register

Online

Registering online is the quickest way to secure your registration and housing!

Phone

Toll-Free:

(864) 208-2901

International:

(747) 226-7785

For questions about registration contact Maritz Global Events at: nlc@maritz.com. For all other conference-related questions reach out to conferences@nlc.org.

Individual Rates for 2026

Rates below are for 2026 Congressional City Conference. 2026 Rates are subject to change.

Attended CS25 Discount ²	Early Bird	Advance Rate	Onsite Rate
Nov 21 – Jan 1, 2025	Nov 21, 2025 – Feb 26, 2026	Feb 27 – Mar 13	Mar 14 – Mar 18
\$770 NLC Member	\$880 NLC Member	\$1,005 NLC Member	\$1,105 NLC Member
\$845 SML Member	\$980 SML Member	\$1,105 SML Member	\$1,205 SML Member
\$985 Nonmember	\$1,010 Nonmember	\$1,210 Nonmember	\$1,310 Nonmember

Special Attendee Conference Rates

You may be able to attend the Congressional City Conference if you are considered a special attendee.

<p>First Time Attendee</p> <p>\$745</p>	<p>Youth Delegate/ Youth Chaperone</p> <p>\$355</p>	<p>University Student</p> <p>\$335</p>	<p>Guest/ Spouse</p> <p>\$300</p>
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Conference Add-Ons

These are add-ons to the Congressional City Conference registration; they cannot be purchased alone.

Executive Education

Each year, Executive Education offerings are available during pre-conference dates at Congressional City Conference!

More details coming soon >



Hill Day

Free with registration

Hill Day is exclusive to Congressional City Conference attendees who are elected officials, city staff or State Municipal League staff. There is no additional cost.

Questions? Contact us at advocacy@nlc.org

Questions? Contact us at advocacy@nlc.org.

With so many sessions, workshops, networking events and other opportunities, it is nearly impossible to take in all the conference has to offer just on your own. Consider attending with a group from your city to cover all areas and get the best return on your conference experience for your city.

Groups of five or more will receive a complimentary sixth registration, provided the registrations are paid in full and all individuals are registered at the same time. The following registration categories **are not** eligible: Spouse/Guest, Student, Youth Chaperone or Youth Delegates.

Members of the media with proper credentials must register for the conference (*complimentary*) at the Press Registration Desk onsite in the Conference Registration area. Most conference activities are open, but some sessions will be private or closed to the media. Please contact media@nlc.org for additional support.



Additional Details

Cancellation Policy



Code of Conduct



Photo/Video Disclaimer



< <https://www.nlc.org> >

601 E. Chicago St. #1127
Springfield, IL 62761

877-827-2385

info@nlc.org

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ITEM: **OUT-OF-STATE TRAVEL APPROVAL FOR THE ECONOMIC DEVELOPMENT ADMINISTRATOR AND THE COMMUNITY DEVELOPMENT DIRECTOR TO ATTEND THE ICSC LAS VEGAS CONFERENCE IN MAY 2026 AND THE ECONOMIC DEVELOPMENT ADMINISTRATOR TO ATTEND THE IAMC SPRING 2026 FORUM IN LITTLE ROCK, ARKANSAS IN APRIL 2026**

RECOMMENDATION: **Adopt a Resolution to Authorize Out-of-State Travel for the Economic Development Administrator and the Community Development Director to Attend and Represent the City of Lathrop at the ICSC Las Vegas Conference in Las Vegas, Nevada from May 18, 2026 to May 20, 2026 and the Economic Development Administrator to attend the IAMC Spring 2026 Forum on April 18, 2026 to April 22, 2026**

SUMMARY:

In an effort to market the City of Lathrop to new job generating businesses and retail establishments that complement the needs and desires of its residents, the Economic Development Administrator and Community Development Director request approval to travel out-of-state to attend the annual ICSC Las Vegas 2026 conference to be held in Las Vegas, Nevada on May 18, 2026 to May 20, 2026. ICSC Las Vegas focuses on the attraction of commercial retail and shopping center developments.

Additionally, to attract industrial investment opportunities, the Economic Development Administrator requests approval to travel out-of-state to attend the Spring 2026 Industrial Asset Management Council (IAMC) forum to be held in Little Rock, Arkansas from April 18, 2026 to April 22, 2026. IAMC is a U.S. based industrial and manufacturing real estate trade association

BACKGROUND:

The Economic Development Administrator position carries out the economic development activities for the City, including marketing the City for real estate investment that attracts commercial retail and service businesses that support the economic growth and success of our community.

ICSC conferences are held annually to allow networking and deal making opportunities related to the retail industry. Staff preschedules meetings with prospective decision makers thereby allowing an opportunity to showcase the City

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
OUT-OF-STATE TRAVEL FOR CITY STAFF**

PAGE 2

of Lathrop as a potential location for new business. Traditionally, city staff has participated in the ICSC@Monterey conference in Monterey, California, the ICSC@Western Regional Conference in San Diego and Palm Springs, and the larger International show in Las Vegas, Nevada. In addition to other municipal agencies, attendees at these conferences include key decision makers, site selection consultants, developers, company representatives, and retailers.

Attendance for the Economic Development Administrator and the Community Development Director to attend the ICSC Las Vegas Conference in May 2026 and the Economic Development Administrator to attend the IAMC Spring Forum in April 2026 is being requested. Expenses for this out-of-state travel request include event registration, airfare, transportation, hotel, and meals. ATTACHMENT "B" identifies the ICSC Las Vegas 2026 Conference at-a-glance tentative schedule and the IAMC Spring 2026 Forum tentative schedule.

REASON FOR RECOMMENDATION:

Staff requests that the City Council adopt the proposed resolution to authorize Out-of-State Travel for two City staff members to participate in the ICSC Las Vegas 2026 conference being held in Las Vegas Nevada from May 18, 2026 to May 20, 2026 and the Economic Development Administrator to attend the IAMC Spring Forum 2026 being held on April 18, 2026 to April 22, 2026 in Little Rock, Arkansas for the purpose of marketing the City for real estate investment and promoting economic growth in the community.

FISCAL IMPACT:

The total cost for meals, hotel, travel, and registration for the ICSC conference is estimated to be \$4,800 for both City attendees. The total cost for meals, hotel, travel, and registration for the IAMC Forum is \$3,700. Team California sponsorship fees for the ICSC Conference and the IAMC Forum are \$2,200 and \$2,300, respectively. All expenses relating to this conference are within the City Manager Department's Economic Development Division and the Community Development Department's FY 2025-2026 budgets as approved by the City Council.

ATTACHMENTS:

- A. A Resolution of the City Council of the City of Lathrop to Authorize Out-of-State Travel for the Economic Development Administrator and the Community Development Director to Attend and Represent the City of Lathrop at the ICSC Las Vegas Conference in May 2026 and the Economic Development Administrator to attend the Industrial Asset Management Council (IAMC) Spring 2026 Forum in Little Rock, Arkansas in April 2026.

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
OUT-OF-STATE TRAVEL FOR CITY STAFF**

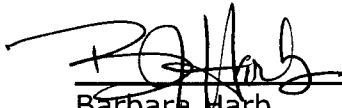
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- B. ICSC Las Vegas 2026 Conference registration information and IAMC Spring 2026 Forum registration information.

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
OUT-OF-STATE TRAVEL FOR CITY STAFF**

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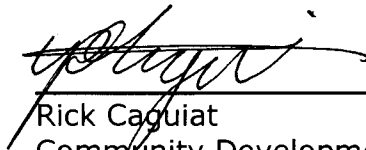
APPROVALS:



Barbara Marb
Economic Development Administrator

12-9-2025

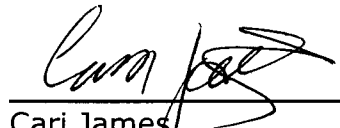
Date



Rick Caquiat
Community Development Director

12/9/25

Date



Cari James
Finance Director

12/12/2025


Date



Thomas Hedegard
Deputy City Manager

12/15/25

Date



Salvador Navarrete
City Attorney

12-10-2025

Date



Stephen J. Salvatore
City Manager

12.16.25

Date

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AUTHORIZE OUT-OF-STATE TRAVEL FOR THE ECONOMIC DEVELOPMENT ADMINISTRATOR AND THE COMMUNITY DEVELOPMENT DIRECTOR TO ATTEND AND REPRESENT THE CITY OF LATHROP AT THE ICSC LAS VEGAS CONFERENCE IN MAY 2026 AND THE ECONOMIC DEVELOPMENT ADMINISTRATOR TO ATTEND THE INDUSTRIAL ASSET MANAGEMENT COUNCIL (IAMC) SPRING 2026 FORUM IN LITTLE ROCK, ARKANSAS IN APRIL 2026.

WHEREAS, the Economic Development Administrator carries out the economic development activities for the City, including marketing the City for real estate investment that attracts commercial retail and service businesses that support the economic growth and success of our community; and

WHEREAS, staff has identified targeted industry opportunities to market the City for the attraction of industrial and commercial businesses and investment; and

WHEREAS, the City will partner with TeamCalifornia to leverage marketing dollars and provide Lathrop greater exposure to corporate decision-makers in attendance; and

WHEREAS, funding identified for marketing events has been considered and approved within the City Manager Department's Economic Development Division and the Community Development Department's FY 2025-2026 budgets.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lathrop, authorizes out-of-state travel for the Economic Development Administrator and Community Development Director to attend and represent the City of Lathrop at the ICSC Conference in Las Vegas, Nevada from May 18, 2026 to May 20, 2026 and the Economic Development Administrator to attend the IAMC Spring 2026 Forum from April 18, 2026 to April 22, 2026.

The foregoing resolution was passed and adopted this 12th day of January 2026, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

PAUL AKINJO, MAYOR

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney



ICSC LAS VEGAS Is the Largest Commercial Real Estate Event of the Year

Meet over 25,000 decisionmakers during three days of dealmaking, networking, and cutting-edge content sessions. Get expert advice from the brightest minds in commercial and retail real estate and make groundbreaking deals with the placemakers who are driving innovation in the Marketplaces Industry.

New for 2026! ICSC+PROPTECH

We're excited to introduce ICSC+PROPTECH, co-located at ICSC LAS VEGAS, spotlighting the latest in property technology through technology-focused sessions, proptech displays, and curated one-on-one meetings. To sign up, select the ICSC+PROPTECH options during registration for ICSC LAS VEGAS.

Schedule At-a-Glance

Monday, May 18 • Wynn

Professional Development

Keynote Presentation

Opening Reception

Tuesday, May 19 • LVCC

8:00 am - 5:00 pm • Exhibit Hall Open

10:00 am - 4:30 pm • Sessions*

Wednesday, May 20 • LVCC

8:00 am - 3:00 pm • Exhibit Hall Open

10:00 am - 12:00 pm • Sessions*

**Schedule times are tentative*

Tentative Schedule

With a focus on core corporate real-estate business practice areas, IAMC programming blends targeted professional development with world-class knowledge sharing.

Saturday, April 18, 2026

9:00 am - 12:00 pm **Volunteer Service Project**
Requires separate registration

2:00 pm - 4:00 pm **Board of Directors Meeting**

4:00 pm - 5:00 pm **Registration**

5:00 pm - 6:00 pm **Early Arrivals Reception**

Sunday, April 19, 2026

8:00 am - 9:00 pm **Registration**

10:00 am - 2:00 pm **Leadership Seminar: Mind Reading for Managers: 9 Keys to Keep your Best People from Walking out the Door**
Requires separate registration
Kim Seeling Smith, Business Futurist/ The Future of Work

12:15 pm - 1:15 pm **Concurrent Interest Group Meetings & Working Lunch***
Distribution
Facilities Management
Manufacturing

2:00 pm - 4:00 pm **Corporate Roundtable***

4:15 pm - 5:15 pm **New Member & First-Time Attendee Reception**

6:00 pm - 8:00 pm **Welcome Reception & Dinner**

9:00 pm - 10:00 pm **Hospitality Lounge**

Monday, April 20, 2026

7:00 am - 7:45 am **Fun Run, Walk & Jog**

8:00 am - 9:00 am **Breakfast**

9:15 am - 10:00 am **General Session 1: ON FIRE: Ignite a Radically Inspired Life**
John O'Leary, Trauma Survivor, Motivational Speaker & 3x National Bestselling Author of On Fire and In Alive

10:00 am - 1:00 pm **Networking Break**

11:00 am - 12:15 pm **IAMC Info Exchange**
An IAMC Signature Program

12:00 pm - 1:00 pm **Lunch**

1:15 pm - 2:15 pm **General Session 2: C-Suite Spotlight**

2:00 pm - 4:00 pm **Peer-to-Peer Corporates***
An IAMC Signature Program

4:00 pm - 6:00 pm **Peer-to-Peer Associates**
An IAMC Signature Program

6:30 pm - 8:00 pm **Networking Reception**

9:00 pm - 10:00 pm **Hospitality Lounge**

Tuesday, April 21, 2026

8:00 am - 9:15 am **Breakfast**

9:00 am - 10:00 am **General Session 3: Geopolitical Risk: Emerging Trends & Hot Spots**
Willis Sparks, Director of Global Macro of Eurasia Group

10:00 am - 10:30 am **Networking Break**

10:00 am - 2:00 pm **Headshot Photo Booth**

10:30 am - 11:15 am **Concurrent Workshops, T1 - T4**

11:30 am - 12:15 pm **Concurrent Workshops, T5 - T8**

12:30 pm - 1:15 pm **Awards Lunch & Fellows Graduation**

2:00 pm - 3:00 pm **Get Some Help!**
An IAMC Signature Program

3:15 pm - 4:15 pm **IAMC Townhall Meeting**

4:30 pm - 6:00 pm **Networking Reception**

9:00 pm - 10:00 pm **Hospitality Lounge**

Wednesday, April 22, 2026

8:00 am - 9:00 am **Breakfast**

9:00 am - 10:00 am **General Session 4: Become an Idea Factory**
Kyle Scheele, The Patron Saint of Crazy Ideas and Author of A Hizzo With Everything On It and Host of Waking Hubs

*Open to corporate real-estate end-users only

ITEM 4.9

CITY MANAGER'S REPORT JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

ITEM: **APPROVE OUT-OF-STATE TRAVEL FOR TWO CITY STAFF TO ATTEND THE TYLER CONNECT 2026 CONFERENCE**

RECOMMENDATION: **Adopt a Resolution to Authorize Out-of-State Travel for the Accounting Manager and Utility & Revenue Services Manager to Attend the Tyler Connect 2026 Conference in Las Vegas, Nevada From April 7 – 10, 2026**

SUMMARY:

The Tyler Technology Connect 2026 (Connect 26) is the annual user conference for the City's comprehensive Enterprise Resource Planning (ERP) software. This conference is for Tyler Technology clients only and provides insight into the best practices as well as unique opportunities to improve our services by making full use of our financial, billing, human resources, licensing and budget software. Connect 2026 offers wide-ranging workshop options, product training, technical applications, and business best practices. This event will give staff opportunities to discover new ways to learn of software enhancements, tips and tricks, and advanced product uses to improve performance and efficiencies.

Aligned with the goals of keeping City staff informed and up-to-date on the latest technology, Staff requests approval for the Accounting Manager and Utility & Revenue Services Manager to attend the Connect 26 Conference to be held in Las Vegas, Nevada from April 7, 2026 through April 10, 2026. Tyler Connect 2026 is exclusively for Tyler clients to interact and learn directly from Tyler experts and Tyler user communities and will assist the City with making better use of our technology investment in daily work. Staff will attend sessions that will benefit the Department and the City as a whole. Staff will then take a train the trainer's approach upon return by updating the rest of the Department on lessons learned from the experts in the usage of the ERP system.

Staff requests that the City Council approve the out-of-state travel for the Accounting Manager and Utility & Revenue Services Manager to attend the Connect 2026 Conference in Las Vegas, Nevada, from April 7, 2026 to April 10, 2026. The estimated cost is \$7,000. Sufficient funds were allocated in the approved FY 2025-26 budget to cover the cost of the training and travel.

BACKGROUND:

Since 2012, the City has been utilizing New World Systems (NWS) Enterprise Resource Planning (ERP) software for various functions including Financial Management, Human Resources, Utility Management, and Community

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**APPROVE OUT-OF-STATE TRAVEL FOR TWO CITY STAFF TO ATTEND THE TYLER CONNECT 2026 CONFERENCE**

Development. In 2015, Tyler Technologies acquired NWS software. The ERP system has supported City staff in the delivery of government services and improved the efficiency and effectiveness of the City's customer service and business practices.

Over time, Tyler Technologies has created online content and regional training programs providing opportunities for City staff to enhance their skills and knowledge of the ERP system.

This spring, Tyler Technologies will be holding their annual user conference in Las Vegas, Nevada. Tyler Connect 2026 (Connect 26) is the City of Lathrop Financial System's annual user conference. Connect 2026 provides extensive workshop options, product training, technical applications, and best business practices. This event will provide staff with opportunities to explore new ways to learn about software updates, tips and tricks, advanced product use to improve performance and efficiency, and learn from Tyler experts and Tyler user communities.

Staff requests the City Council to approve the out-of-state travel for the Accounting Manager and Utility & Revenue Services Manager to attend the Connect 2026 Conference in Las Vegas, Nevada from April 7, 2026 to April 10, 2026. The estimated cost is \$7,000.

REASON FOR RECOMMENDATION:

This event will give staff opportunities to discover new ways to learn software enhancements, tips and tricks, and advanced product use to help improve performance and efficiency. Staff will attend sessions that will benefit the Department and the City as a whole. Staff will then take a train the trainer's approach upon return by updating the rest of the Department on lessons learned from the experts in using the ERP system.

FISCAL IMPACT:

The estimated total cost of attending the Tyler Connect 2026 Conference is \$7,000. Sufficient funds were allocated in the approved FY 2025-26 Finance Department's budget as approved by the City Council.


ATTACHMENTS:

- A. A Resolution to the City Council of the City Of Lathrop to Authorize Out-of-State Travel for the Accounting Manager and Utility & Revenue Services Manager to Attend the Tyler Connect 2026 Conference in Las Vegas, Nevada from April 7-10, 2026.
- B. Tyler Connect 2026 Conference Information and Agenda

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
APPROVE OUT-OF-STATE TRAVEL FOR TWO CITY STAFF TO ATTEND THE
TYLER CONNECT 2026 CONFERENCE


PAGE 3

APPROVALS:




Cari James
Finance Director

1/5/2026
Date




Thomas Hedegard
Deputy City Manager

1/5/2026
Date



Salvador Navarrete
City Attorney

1-5-2026
Date



Stephen J. Salvatore
City Manager

1-6-26
Date

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AUTHORIZE OUT-OF-STATE TRAVEL FOR THE ACCOUNTING MANAGER AND UTILITY & REVENUE SERVICES MANAGER TO ATTEND THE TYLER CONNECT 2026 CONFERENCE IN LAS VEGAS, NEVADA FROM APRIL 7-10, 2026

WHEREAS, since 2012, the City has been utilizing New World Systems (NWS) Enterprise Resource Planning (ERP) software for various functions including Financial Management, Human Resources, Utility Management, and Community Development; and

WHEREAS, the ERP system has supported City staff in the delivery of government services and improved the efficiency and effectiveness of the City's customer service and business practices; and

WHEREAS, the Tyler Connect 2026 (Connect 26) Conference is the City of Lathrop Financial System's annual user conference for Tyler clients only and provides a unique opportunity to improve our services by fully utilizing our New World Systems ERP software; and

WHEREAS, the Connect 26 offers comprehensive workshop options, product training, technical applications, and business best practices; and

WHEREAS, this event will give staff opportunities to discover new ways to learn of software enhancements, tips and tricks, and advanced product use to help improve performance and efficiencies; and

WHEREAS, aligned with the goals of keeping City staff informed and up-to-date on the latest technology, Staff requests approval for the Accounting Manager and Utility & Revenue Services Manager to attend the Tyler Connect Conference to be held in Las Vegas, Nevada from April 7, 2026 through April 10, 2026; and

WHEREAS, the estimated cost is \$7,000 and sufficient funds have been allocated in the approved FY 2025-26 Finance Department's budget.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop authorizes the out-of-state travel for the Accounting Manager and Utility & Revenue Services Manager to attend the Tyler Connect 2026 Conference in Las Vegas, Nevada from April 7, 2026 through April 10, 2026.

The foregoing resolution was passed and adopted this 12th day of January 2026, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Paul Akinjo, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

Connect > Conference Info > Agenda

Full Conference Agenda

All times are listed in Pacific time

Conference Schedule

Explore the agenda to plan your time and maximize your conference experience.

Thursday, April 14
Registration Opens 12:00 p.m.-6:30 p.m.
Workshop Sessions 12:30 p.m.-4:30 p.m.
Connect & Collaborate Welcome Reception 4:30 p.m.-6:30 p.m.
Friday, April 15
Friday, April 15
Friday, April 15
Friday, April 15

New to Connect?

If you've never been to Tyler Connect — or if it's been a while — check out our [Connect 101 page](#) to learn more about our premier user conference. We've captured the collaborative energy of the event, but attending is believing! We hope to see you this year.



Connect > Conference Info > Agenda

Full Conference Agenda

All times are listed in Pacific time

Conference Schedule

Explore the agenda to plan your time and maximize your conference experience.

Registration & Solutions Hub Open
7:30 a.m.-4:30 p.m.

Opening & Keynote
8:30 a.m.-9:45 a.m.

Break
9:45 a.m.-10:00 a.m.

Session 2
10:00 a.m.-11:00 a.m.

Break
11:00 a.m.-11:30 a.m.

Session 3
11:30 a.m.-12:30 p.m.

Lunch
12:30 p.m.-2:00 p.m.

Session 4
2:00 p.m.-3:00 p.m.

Break
3:00 p.m.-3:30 p.m.

Session 5
3:30 p.m.-4:30 p.m.

Client Happy Hour
4:30 p.m.-6:00 p.m.

New to Connect?

If you've never been to Tyler Connect — or if it's been a while — check out our [Connect 101 page](#) to learn more about our premier user conference. We've captured the collaborative energy of the event, but attending is believing! We hope to see you this year.

Full Conference Agenda

All times are listed in Pacific time

Conference Schedule

Explore the agenda to plan your time and maximize your conference experience.

Monday, April 4
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New to Connect?

If you've never been to Tyler Connect — or if it's been a while — check out our [Connect 101 page](#) to learn more about our premier user conference. We've captured the collaborative energy of the event, but attending is believing! We hope to see you this year.

Full Conference Agenda

All times are listed in Pacific time

Conference Schedule

Explore the agenda to plan your time and maximize your conference experience.

Registration Open
Session 11
Break
Session 12
Break
Session 13

New to Connect?

If you've never been to Tyler Connect — or if it's been a while — check out our [Connect 101 page](#) to learn more about our premier user conference. We've captured the collaborative energy of the event, but attending is believing! We hope to see you this year.

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ITEM 4.10

CITY MANAGER'S REPORT JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

ITEM: **ESTABLISH THE CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM POLICIES AND FEES AND AUTHORIZE CITY MANAGER TO CONTRACT FOR SERVICES**

RECOMMENDATION: **Adopt a Resolution to Establish the City of Lathrop Police Department Tow Rotation Service Policies and Associated Fees for Participation in the Lathrop Police Department Tow Rotation Program and Authorize the City Manager to Enter into Contracts for Tow Services with up to Five (5) Tow Service Providers**

SUMMARY:

The City of Lathrop Police Department contracts with the City of Ripon to provide police dispatch services since July 1, 2022. As part of those services, the City of Ripon utilizes a tow rotation to provide Lathrop Police Department tow services as needed during the course of law enforcement services.

Although a tow rotation was established with dispatch services, Lathrop Police Department did not adopt a Tow Rotation Program or enter into contracts with the various tow service providers.

The City of Lathrop Police Department wishes to formalize a Tow Rotation Program and establish contractual agreements with multiple tow services providers. Tonight, staff is requesting Council adopt a resolution to establish the City of Lathrop Police Department Tow Rotation Service Policies and associated fees for participation in the Lathrop Police Department Tow Rotation Program and authorize the City Manager to enter into contracts for tow services with up to five (5) tow service providers at any given time.

BACKGROUND:

On July 1, 2022, the City of Lathrop established the Lathrop Police Department. At that time, the City of Lathrop contracted with the City of Ripon to provide dispatch services to Lathrop Police Department. The contract has a 10-year term and includes initial staff and equipment as well as full dispatch services.

Occasionally, tow services are required during the course of law enforcement services. These services are requested by Lathrop Police Department staff through City of Ripon Dispatch, utilizing a tow rotation that includes multiple tow service providers.

CITY MANAGER’S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ESTABLISH THE CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM AND AUTHORIZE CITY MANAGER TO CONTRACT FOR SERVICES

PAGE 2

At this time, Lathrop Police Department does not have an established Tow Rotation Program outlining requirements of tow service providers. As part of the Tow Rotation Program, the proposed Lathrop Police Department Tow Service Policies establish program rules and regulations for tow service providers. The proposed Lathrop Police Department Tow Services Policy is included as Attachment B.

If adopted, the City of Lathrop will contract with up to five (5) tow service providers at any given time, to formalize a tow rotation list to be utilized by City of Ripon police dispatch staff to provide tow service to Lathrop Police Department, as needed, during the course of law enforcement services.

Additionally, the Lathrop Police Department desires to recover the administrative and procedural costs associated with the implementation of the tow rotation program. These proposed fees are outlined in the Lathrop Police Department Tow Services Policy and are as follows:

<u>Service</u>	<u>Fee Amount</u>
Annual Participation Fee	\$300.00 annually (per tow service company)
Tow Truck Driver Fee	\$100.00 one-time (per driver background)

REASON FOR RECOMMENDATION:

The proposed program intends to establish clear guidelines and requirements for tow service providers and eliminate any uncertainty of responsibility and reduce the potential for the City of Lathrop to be liable for the actions of tow service companies providing service on behalf of the City of Lathrop Police Department.

FISCAL IMPACT:

The proposed Lathrop Police Department Tow Rotation Policies includes tow services for City owned vehicles at no cost to the City, saving the City approximately \$9,000 per fiscal year.

ATTACHMENTS:

- A. Resolution to Establish the City of Lathrop Police Department Tow Rotation Program and Authorizing the City Manager to Enter into Contracts for Tow Services with up to Five (5) Tow Services Providers at any given time at no cost to the City.
- B. Lathrop Police Department Tow Service Policies
- C. City of Lathrop Sample Tow Service Agreement

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ESTABLISH THE CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION
PROGRAM AND AUTHORIZE CITY MANAGER TO CONTRACT FOR SERVICES

PAGE 3

APPROVALS:



Stephen Sealy
Chief of Police

1/6/2026

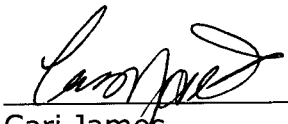
Date



Thomas Hedegard
Deputy City Manager

1/7/2026

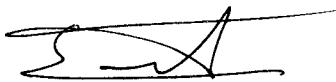
Date



Cari James
Finance Director

1/7/2026


Date



Salvador Navarrete
City Attorney

1-7-2026

Date



Stephen J. Salvatore
City Manager

1.7.26

Date

RESOLUTION NO. 26 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO ESTABLISH THE LATHROP POLICE DEPARTMENT TOW SERVICE POLICIES AND ASSOCIATED FEES FOR PARTICIPATION IN THE LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM AND AUTHORIZE THE CITY MANAGER TO ENTER INTO CONTRACTS TO MAINTAIN TOW SERVICES WITH UP TO FIVE (5) TOW SERVICE PROVIDERS

WHEREAS, under the Police Power (California Constitution article XI, section 7), the City of Lathrop may set policies and fees for services, such as a tow truck service program; and

WHEREAS, Sections 12110 and 2432.3 (B) of the California Vehicle Code specifically authorize municipalities to charge fees for participation in an authorized tow truck program, including for undertaking background checks for tow truck drivers; and

WHEREAS, the Lathrop Police Department has drafted the proposed Lathrop Police Department Tow Service Policies, attached hereto as Exhibit A, to govern and ensure the fair implementation of tow services by tow truck businesses participating in the tow program; and

WHEREAS, the Lathrop Police Department desires to recover the administrative and procedural costs associated with the implementation of the tow rotation program; and

WHEREAS, the fees charged are solely to recover the administrative costs in the implementation and maintenance of the tow truck program; moreover, such fees are in no way to be construed as a commission, referral fee, or inducement for services provided or for participation in the program; and

WHEREAS, the Lathrop Police Department wishes to enter into contract for tow services with multiple tow service providers to establish a tow rotation utilized by City of Ripon dispatch in the course of providing dispatch services to the City of Lathrop Police Department;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby adopt the Lathrop Police Department Tow Service Policies, attached hereto as Exhibit A; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby adopt associated fees related to participation in the tow rotation program, as outlined in Section II (B) of the Lathrop Police Department Tow Services Policies; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby find and determine that, based on the data, information, analysis, and oral and written evidence presented, the administrative charges identified in Lathrop

Police Department Tow Services Policies, Exhibit "B" to the City Manager's Report, incorporated herein by reference, do not exceed the reasonable cost of providing the services for which they are imposed; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby authorize the City Manager to enter into contracts to maintain tow services with up to (5) tow service providers at any given time.

The foregoing resolution was passed and adopted this 12th day of January 2026, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

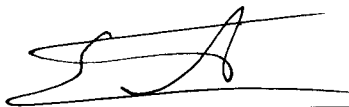
ABSTAIN:

Paul Akinjo, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas, City Clerk



Salvador Navarrete, City Attorney

LATHROP POLICE DEPARTMENT
TOW SERVICE POLICIES

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Lathrop Police Department

Tow Service Policies

I. INTRODUCTION

The Lathrop Police Department Tow Service Policies (the "Policies") contain the rules and regulations that Tow Company Operators ("Operators") must abide by in order to participate in the Lathrop Police Department Rotation Tow Program (the "Program"). Participation in the Program is voluntary. However, compliance with the terms and conditions set forth in the Policies is mandatory. Also, in order to participate in the Program, Operators must enter into a Lathrop Police Department Tow Agreement

II. THE ROTATION TOW LIST

A. IN GENERAL

The Lathrop Police Department (the "Department") and the Lathrop Police Department Chief of Police (the "Chief of Police") have established a rotation tow list for each class of tow truck to facilitate the distribution of calls and meet the needs of the Department with regard to response time and availability of tow services. The Department will maintain separate rotation tow lists for each class of tow truck to ensure an equitable distribution of calls.

However, when in an officer's opinion, a situation requires certain tow-related resources or services, and such resources or services are not available from the Operator at the top of the rotation tow list, the officer may select the next qualified Operator. In such an instance the Operator selected will be the next tow company on the list which has the qualifications (such as the equipment, skills, availability and readiness) to provide the required resources and/or services. After the request, the selected Operator will go to the bottom of the rotation tow list and remain there until it rotates back into its original position. Operators on the same list that were bypassed remain in the same order until they are selected for a rotation tow for which they are qualified.

A call to an Operator shall constitute one turn on the list and the Operator shall be moved to the bottom of the list. This includes situations when the Operator fails to answer the phone, is unable to respond, is unable to perform the required service, refuses to respond or provide service, or is canceled due to excessive response time. If it is determined that the Operator is not needed and is canceled by the Department, at any time up to or upon arrival at the scene, there shall be no charges, and the Operator will be placed back at the top of the list.

With regard to the private tow lists, if the vehicle's owner or agent, prior to the Operator taking possession of the vehicle, cancels the Operator's services, there shall be no charges for towing. The Operator shall immediately contact the Department and advise them of the

cancellation. The Operator will then be placed back at the top of the list.

B. FEES FOR PARTICIPATION IN THE PROGRAM

There shall be an annual fee of Three Hundred Dollars for participation in the Program. The fee shall be used to cover the administrative costs of the implementation of the Program by the Department. In addition, there shall be a one-time One Hundred Dollar fee that must be submitted for each individual tow truck driver employed by an Operator that will participate in the Program. This fee shall cover the administrative expenses of the Department performing a background check on the individual to ensure his or her qualifications for the position. Please refer to Section IV(B) for a more detailed explanation.

III. TOW OPERATIONS

A. INCIDENT COMMANDER AUTHORITY

Command of Department resources at a police situation rests with the Lathrop Police Department's Watch Commander or the assigned senior officer. Such person has the authority to direct the operation and is responsible for its outcome.

The Lathrop Police Department Incident Commander may allow an Operator to dispatch more than one tow truck to a multi-vehicle collision scene in response to a rotation tow call. If two or more Operators are called to the same incident, distribution of vehicles shall be at the discretion of the Lathrop Police Department Incident Commander.

The Lathrop Police Department Incident Commander may direct a rotation tow Operator to move vehicles to help clear a roadway or for lifesaving operations. Operators must provide the assistance as directed. There shall be no charge for this assistance, and the assistance provided shall not affect the Operator's position in the rotation.

B. RESPONSE TO CALLS

The Operator shall respond to the Department calls 24 hours a day, seven days a week, within the maximum response time limits as established by the Chief of Police. The Operator shall respond with a tow truck of the class required to tow the vehicle specified by the Lathrop Police Department's Communications Center. The Operator shall advise the Lathrop Police Department's Communications Center, at the time of notification, if they are either unable to respond or unable to meet the maximum response time. If, after accepting the call, the Operator is unable to respond or will be delayed in responding, the Operator shall immediately notify the Lathrop Police Department Communications Center. The Operator may not assign initial calls to other Operators.

Only the tow truck personnel and equipment requested shall respond to a Lathrop Police Department call. Additional tow truck personnel and equipment shall be at the approval of the Lathrop Police Department's Incident Commander. This shall not preclude the Operator from responding to an incident to ascertain if additional assistance or equipment is required. There

shall be no additional charge for any personnel or equipment that is not necessary to perform the required service.

An Operator may not respond to a Department call assigned to another Operator unless requested to do so by the Department.

C. RESPONSE TIMES

The Chief of Police has determined the maximum response time, along with reasonable rates and minimum number of trucks needed, within the City of Lathrop. The Chief of Police may establish a maximum radius for the location of a business office from which an Operator may provide services. An Operator must have a business office and storage facility located within the limit set by the Chief of Police.

1. The maximum response time for any request for a tow shall not exceed 30 minutes from the time the Operator accepts the call until the arrival of the tow at the requested site.
2. Any vehicle towed shall be stored at a facility within twenty-five (25) miles of the City of Lathrop.

D. ACCIDENT SCENE CLEANUP

It shall be the responsibility of the responding tow truck driver to clear the roadway of any and all accident debris.

Furthermore, the Lathrop Police Department Incident Commander may direct an Operator to move vehicles to help clear a roadway or for lifesaving operations. Operators must provide the assistance as directed. There shall be no charge for this assistance, and the assistance provided shall not affect the Operator's position in the rotation.

E. ACCIDENTS ENCOUNTERED IN THE COURSE OF BUSINESS

There may be times when an Operator, who was not called to a scene, comes upon a collision scene where a vehicle or vehicles are blocking a roadway and a Department officer requests the Operator's assistance in clearing the roadway. In such a case, the Operator may be requested to move the vehicle to a safe location, as directed by the officer. The Operator may not charge for this assistance, and the assistance provided shall not change the Operator's place in the rotation.

F. REQUEST FOR AN ADDITIONAL OPERATOR

When the initial Operator assigned by the Department requires the assistance of an additional Operator at the scene, the Operator assigned the initial call may request a specific Operator's assistance. Prior to the request, the requested Operator must have a prior agreement with the Department, and the Lathrop Police Department Incident Commander must concur with the request. The additional Operator will then be notified by the Department.

G. OPERATOR'S TEMPORARY UNAVAILABILITY

When an Operator will be temporarily unavailable to provide services due to a scheduled activity, e.g., vacation, maintenance, medical leave, the Operator must notify the Department at least 24 hours prior to the date that services will be unavailable, noting the exact times and dates of the unavailability.

H. TOWING OF VEHICLES OWNED BY THE CITY OF LATHROP

The Operator agrees, as a condition of participation in the Program, to tow all City of Lathrop Owned Vehicles at no charge to the City of Lathrop from where the vehicle is located to the Department Station, the City Corporation Yard, or any other location as designated by the Department. A request to tow a City Owned Vehicle by the Lathrop Police Department will not affect the position of the Operator's rotation position.

I. FAILURE TO RESPOND TO CALLS

Failure to respond to and/or meet the maximum response time requirements shall constitute failure to comply with the terms and conditions of the Program. The Chief of Police may take immediate disciplinary action for any such violations.

Any refusal to respond or to perform the required towing or service will subject the Operator to suspension, if deemed appropriate by the Department.

IV. QUALIFICATIONS AND DUTIES OF OPERATORS

A. QUALIFICATIONS OF OPERATORS

The Department requires that each Operator be in full compliance with and provide documentation that they have a current Tow Service Agreement with the California Highway Patrol and are in compliance with all City, County, and State laws and regulations.

Operators applying to participate in the Program must have minimum of three (3) years verifiable for hire towing experience, as an owner or principal. Operators already participating and having less than the required three years' experience are exempt from this provision.

Operators must also have a separate Tow Service Agreement with the Department, signed by the Operator and the Department, in order to be eligible to participate in the Program.

B. QUALIFICATIONS OF TOW TRUCK DRIVERS

The Department requires that each Operator submit a list of tow truck operators that it employs within thirty days of agreeing to abide by the Policies, or within thirty days from the date of hire of the tow truck operator. The participation of the individual tow truck drivers shall be subject to a background check by the Department of the tow truck operator, in order for the Department to ensure that such individual is qualified for such position, pursuant to California Vehicle code section 2432.3. Operator must also inform the Department when a participating driver is no longer employed by Operator within thirty (30) days so the Department may maintain an updated list of active drivers.

C. TOW TRUCK CLASSIFICATIONS

An Operator shall equip and maintain tow truck(s) covered under these Policies as specified in their California Highway Patrol Tow Service Agreement.

D. INSPECTIONS

The California Highway Patrol provides not less than one annual inspection of all tow trucks at no charge to the Operator. The Department may conduct additional inspections without notice during normal business hours. The Operator shall not dispatch a tow truck (to a Department call) that has not been inspected and approved by the California Highway Patrol or the Department.

E. INSURANCE

The Operator shall maintain the following minimum levels of insurance from an insurance carrier admitted in California or admitted in the state in which the Operator's business is located and is authorized to do business in California.

Minimum Level of Financial Responsibility (as required by Section 34631.5 of the California Vehicle Code) - Bodily injury and property damage with a combined single limit of not less than \$750,000 for Class A tow trucks. The combined limits for Classes B, C, and D shall not be less than \$1,000,000. These minimum standards are to include non-owned and hired auto coverage.

Uninsured Motorist - The legal minimum combined single limit shall be in accordance with the required minimums as set forth by City of Lathrop's Risk Management Agency. The Department shall supply such minimums upon request.

On-Hook Coverage - Insuring the vehicle in tow with limits based on the size of the tow truck.

a) Class A tow truck	\$25,000
b) Class B tow truck	\$50,000
c) Class C tow truck	\$100,000

d) Class D tow truck \$100,000

Garage Liability includes premises and operations. Garage Keepers Liability shall be the same minimum as on-hook coverage for vehicles in the care, custody, and control of the Operator in the storage yard. Coverage for bodily injury and property damage must have a combined single limit of not less than \$500,000. Operators must carry Workers' Compensation Insurance in accordance with the legal minimum requirements.

Proof of insurance must be shown in the form of a certificate of insurance. Policy expiration or cancellation will immediately nullify the Operator's participation in the Program. The Operator shall provide the Lathrop Police Department with a written notice in the event the insurance policy is canceled or is due to expire within 30 days.

The Operator's removing a vehicle from a hazardous materials incident to the nearest reasonable and safe stopping location will be considered to be transporting property subject to normal minimum insurance requirements of Section 34631.5 of the California Vehicle Code (which outlines the minimum insurance requirements).

V. FEES AND RATES

A. IN GENERAL

Fees charged for response to calls originating from the Department shall be reasonable and not in excess of those rates charged for similar services provided in response to requests initiated by any other public agency or private person. The reasonableness of the fees charged shall be determined as described below.

The Department rates and fees shall be determined by the Chief of Police. The Chief of Police shall consider the average of all of the fees and rates submitted by all the Operators participating in the Program.

B. REASONABLENESS OF RATES

The Operator shall submit its hourly retail rate to the Department. The Chief of Police shall determine the validity and reasonableness of the submitted rates.

Reasonableness will be based upon telephone quotes, posted rates, charges to retail customers, and other such information. Any rate submitted in excess of an Operator's retail rate will be considered invalid and will not be accepted. An Operator who submits an invalid rate shall not be allowed to resubmit a new rate and will be disqualified from the Program until the next enrollment period.

C. CHANGING RATES

In an effort to remain competitive in the open market, the Operator may lower retail rates

at any time by first notifying the Department. When an Operator lowers its retail rate, the Chief of Police shall take this into account in determining the Department rate. The Department rate may be changed at any time by the Chief of Police after an Operator's retail rate is changed.

Operators may raise rates for non-Lathrop Police Department calls at any time. Any Operator who charges rates above its retail hourly rates or submitted rates for a Department call shall be in violation of the Policies and subject to disciplinary action, to be determined by the Chief of Police.

D. DETERMINATION OF RATES

The rate for towing shall be computed from portal to portal. Time expended shall be charged at a rate not to exceed the hourly rate. Time expended in excess of the minimums shall also be at the hourly rate in no more than five-minute (5) increments. There shall be no additional charges for mileage, labor, or other related charges. The Operator may charge up to a thirty-minute (30) minimum per call for base services. The Operator may charge up to a one-hour minimum per call for public safety response calls.

The Operator shall base towing charges upon the class of vehicle being towed regardless of the class of truck used, except when vehicle recovery operations require a larger class truck. Rates for a service call (e.g., out of gas, lockouts, tire changes) shall be from portal to end of service and may be at the hourly rate with up to a thirty-minute (30) minimum. Charges in excess of thirty (30) minutes may be charged in no more than five-minute (5) increments.

E. CANCELLATION OF SERVICES

If an Operator begins to provide services, other than towing and/or recovery services, and the vehicle owner or agent thereafter cancels the services, the Operator may charge a maximum of one half of the regular hourly service charge for time expended. For purposes of cancellation, service begins when actual physical work on the vehicle commences, not including Operator initial response time to drive to the vehicle.

F. HOURLY RATES

Hourly rates may be charged for the following:

Auxiliary Equipment, e.g., air bags, converter gear/dolly, additional trailers, etc.

Contracted Equipment, e.g., airbags, converter gear/dolly, additional trailers, forklifts, scoop loaders, etc.

Contract labor.

The Chief of Police shall determine the reasonableness of the fees for these types of operations. This determination shall be based upon the average of the proposed fees submitted and a comparison to industry standards for similar operations. Operators shall submit a mark-up

rate (percentage of the cost to the Operator) for retail equipment and specialized labor not otherwise listed on the application.

If an Operator performs a service for which a required rate was not submitted to, and approved by, the Department, the Operator shall only be entitled to charge for the actual cost of that service. Example: For contract labor rate not submitted, the Operator may only charge for the actual rate paid for the labor. The total fees charged for after-hours release shall be no more than one and one-half times the hourly rate, and shall only be allowed outside posted business hours, which must be before 8 a.m. and after 6 p.m. on business days, weekends and holidays.

G. FEES FOR SPECIAL OPERATIONS

For special operations involving Class B, C, and D tow trucks, the Operator shall submit its proposed fees for vehicle recovery operations and load salvage operations to the Chief of Police. Fees shall be reasonable and consistent with industry standards for similar operations. Charges in excess of thirty (30) minutes may be charged in no more than five-minute (5) increments.

H. STORAGE FEES

The Operator shall submit its proposed storage fees for inside and outside storage to the Chief of Police. The Chief of Police shall determine the validity and reasonableness of the fees for inside and outside storage, based upon the average of the proposed fees submitted by those applying for rotation.

The Operator shall display in plain view at all cashiers' stations a sign as described in Section 3070 of the Civil Code, disclosing all storage fees and charges in force, including the maximum storage rate. Vehicles stored 24 hours or less shall be charged no more than one day storage. Each day thereafter shall be calculated by calendar day. The approved schedule of rates charged by the Operator shall be available in the tow truck, and shall be presented upon demand to the person(s) for whom the tow services were provided, or its agent, or any Department officer at the scene.

Rate requirements represent the maximums an Operator may charge on a Department call. An Operator is not precluded from charging less when deemed appropriate by the Operator. These requirements shall not be construed as requiring a charge when an Operator would not normally charge for such service. No Operator or employee shall refer to any rate as the minimum required or set by the Lathrop Police Department or by the Program.

I. LIENS

No lien shall arise for the service of a vehicle unless the Operator has presented a written statement to the vehicle's owner or agent for the signed authorization of services to be performed. Moreover, the Operator shall not attempt to take possession of the vehicle in order to establish a lien for any non-towing services performed, or commenced and subsequently canceled, when Operator is not entitled to such lien by law. Formation and attachment of liens must be in accordance with California Civil Code section 3068.1.

VI. BUSINESS OPERATIONS

A. STORAGE FACILITIES

The Operator shall be responsible for the security of vehicles and property at the place of storage. At a minimum, the Operator must place vehicles within a fenced or enclosed area. The Operator is responsible for the reasonable care, custody, and control of any property contained in towed or stored vehicles.

Operators shall maintain sufficient storage facilities. The primary storage facility shall normally be at the same location as the business address. If not at the same location, there shall be no charge for any additional distance traveled to and from a secondary location. The vehicle and/or personal property shall be released at the primary storage facility or place of business (even when the primary storage facility and the place of business are not at the same location) upon request of the owner or a person having a legal entitlement to the vehicle and/or property. Prior to the utilization of new storage facilities that were not listed on the application for the Program, the Operator shall furnish the address and obtain the Chief of Police's approval. Secondary storage facilities shall be located reasonably close to the main business office.

B. LOCATION OF STORAGE FACILITIES

The primary storage facility shall normally be at the same location as the business address. If not at the same location, there shall be no charge for any additional distance traveled to and from a secondary storage location. The vehicle and/or personal property shall be released at the primary storage facility or place of business (when the primary storage facility and the place of business are not at the same location) upon request of the vehicle or property owner or his or her agent.

Prior to the utilization of new storage facilities that were not listed on the application for rotation tow listing, the Operator shall furnish the address and obtain the Chief of Police's approval. Secondary storage facilities shall be located reasonably close to the main business office.

C. SIGNAGE FOR STORAGE FACILITIES/BUSINESS OFFICE

An Operator's place of business shall have a sign that clearly identifies it to the public as a towing service. The sign shall have letters that are clearly visible to the public from the street. The sign must be visible at night.

D. BUSINESS HOURS

For the purpose of this Agreement, "normal business hours" shall not be less than 8 a.m. to 6 p.m., Monday through Friday, except for the following State recognized holidays: New Year's Day, Martin Luther King Day, Lincoln Day, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans Day, Thanksgiving Day, day after

Thanksgiving Day, and Christmas Day. Business hours shall be posted in plain view to the public. Employees shall be properly trained to conduct business transactions related to towing, storage, and release of vehicles/property.

E. BUSINESS LICENSE

Operators must obtain and maintain a current City of Lathrop Business License. A copy of the current City of Lathrop Business License must be received each year no later than January 15th. If a current copy of the Operator's City of Lathrop Business License has not been received by January 15th of each year, the Operator may be immediately disqualified from participation in the Program. Operator may participate in the Program upon obtaining a current City of Lathrop Business License and all other requirements have been met.

F. BUSINESS RECORDS

The Operator shall maintain records at the Operator's place of business of all tow services furnished by the Operator. The Department may inspect an Operator's records without notice during normal Business hours. Operators shall permit the Department to make copies of business records at their place of business, or to remove business records for the purpose of reproduction. The Department shall provide a receipt for any (original) records removed from the tow company's place of business.

Records shall, at a minimum, include a description of vehicle, nature of service, start time, end time, location of call, and the itemized costs of towing and storage. Records for each call shall indicate the tow truck driver's name and the truck used. The Operator shall also maintain business records relating to personnel, insurance, personnel taxes, payroll, applicable operating authorities, local operating authorities, lien sale actions, FCC licensing, and non- Department tows. Records shall be maintained and available for inspection for a period of two years plus the current term of this Agreement. Failure of the Operator to comply with the inspection requirements shall be grounds for forfeiture of participation in the Program, if deemed appropriate by the Chief of Police.

G. BUSINESS ADVERTISING

The operator shall not display any sign or engage in any advertisement indicating an official or unofficial connection with the Department. Examples include, but are not limited to, "Official Lathrop Police Department Tow," "Approved by Lathrop Police Department," and "Lathrop Police Department Rotation Tow."

However, the Department may still implement a system to mark and identify particular tow trucks as having passed the Department inspection and as being eligible to participate in the Program. A violation of this section is cause for suspension. At a minimum, the suspension will be for the duration of the advertisement.

VII. REMOVAL OF PERSONAL PROPERTY AND CARGO

The Operator shall obtain approval from the Department prior to the removal of any personal property from a stored or impounded vehicle and shall provide a receipt specifying all items removed, with a copy of the receipt placed in the stored vehicle. The requirement to obtain approval from the Department prior to the removal of property may be excused by the Chief of Police if it is determined that proper safeguards and procedures are utilized by the Operator. The requirement to first obtain Department approval may not be waived in cases where a vehicle has been impounded for evidence or investigation.

Upon approval by the Department and at the request of the vehicle owner or his/her agent, the Operator shall release personal property from an impounded vehicle. For stored vehicles, personal property shall be released upon the request of the vehicle owner or agent. There shall be no charge for the release of personal property during normal business hours. Operators may charge an after-hours release fee for property released after normal business hours. The fees charged shall be consistent with the after-hours vehicle release provisions. Cargo shall be released upon demand of the carrier or pursuant to a court order.

VIII. CONDUCT AND BEHAVIOR

A. CONDUCT AND DEMEANOR

While involved in the Program, the Operator shall refrain from any acts of misconduct, including but not be limited to any of the following:

1. Rude or discourteous behavior.
2. Lack of service, selective service, or refusal to provide service which the Operator is or should be capable of performing.
3. Any act of sexual harassment or sexual impropriety.
4. Unsafe driving practices.
5. Exhibiting any objective symptoms of alcohol and/or drug use.
6. Appearing at the scene of a Lathrop Police Department rotation tow call, with the odor of an alcoholic beverage emitting from his/her breath.

The Operators shall submit to a preliminary alcohol screening test upon demand of the Department.

All tow service complaints received by the Department against an Operator or its employee(s) will be accepted and investigated in a fair and impartial manner. As a result of the investigation, the Department may initiate disciplinary action as deemed appropriate. In any

event, the Operator will be notified of the results of any investigation.

If an Operator's behavior warrants a criminal investigation and/or prosecution, the Department may proceed to investigate and recommend prosecution. Any violation of this element is cause for suspension, if deemed appropriate by the Chief of Police.

B. CONFLICTS OF INTEREST

No Operator or applicant shall be directly involved in the towing-related business of any other Operator or applicant within the City of Lathrop towing area. "Directly involved" shall mean shared use between the Operators or applicants with regard to any of the following: 1) business licenses; 2) insurance; 3) tow truck or equipment ownership; and 4) employees.

Storage facilities owned by an Operator, and shared with another Operator, shall only be approved if the Operator charges for the space exclusively on a flat monthly rate rather than a vehicle-by-vehicle basis, or combination thereof. Facilities shared by Operators shall be physically separated and secured from each other. The Chief of Police may waive this requirement if deemed appropriate.

The sale or transfer of the controlling interest in business of an Operator shall immediately terminate Operator's participation in the Program. The new owner(s) may apply to participate in the Program at any time during the remainder of the current term, regardless of the City's enrollment period. A violation of this element is cause for suspension, if deemed appropriate by the Chief of Police.

C. COLLUSION

An Operator or applicant Operator shall not conspire or collude, or attempt to conspire or collude, with any other Operator or applicant Operator for the purpose of establishing an unfair outcome regarding rates or conditions to the Program.

Examples of "collusion" include, but are not limited to, 1) conspiracy by an Operator to establish artificially high or low rates for services performed; 2) conspiracy or attempt to circumvent the midterm review process as described in the Midterm Review Process section of this Policy; or 3) in any other action taken to circumvent application of the Policy.

A finding by the Department that any Operator or applicant has been involved in collusion shall be cause for denial of an application and shall disqualify the Operator from participating in the Program for the current term, plus three years.

IX. COMPLIANCE AND DISCIPLINARY ACTIONS

A. COMPLIANCE WITH THE LAW

The Operator and its employees shall, at all times, comply with federal, state, and local

laws and ordinances, which include, but are not limited to, those laws which are applicable to the Operator.

In the event of a minor traffic violation by the Operator, which is known by the Department, the Operator shall be advised of the violation by the Lathrop Police Department. The Operator will be granted the opportunity to take necessary steps to ensure that its driver is in compliance with law. Any subsequent traffic violation may be cause for disciplinary action against the Operator and/or the involved employee. Any flagrant traffic violation may be cause for immediate disciplinary action against the Operator and/or the involved employee.

Any conviction of Operator's employee involving a stolen or embezzled vehicle, fraud related to the towing business, stolen or embezzled property, a crime of violence, a drug related offense, felony driving while under the influence of alcohol and/or a drug, misdemeanor driving while under the influence of alcohol and/or a drug while involved in a Program tow call, or moral turpitude shall be cause for the removal of the Operator's employee from the Program.

An Operator or his or her employee who is arrested and/or charged for a violation involving any of the above crimes may be suspended until the case is adjudicated. The provisions contained herein do not preclude the Department from taking appropriate enforcement or administrative action for any violations of law.

B. COMPLIANCE WITH THE AGREEMENT

The Operator agrees, as a condition of participation in the Program, to comply with the terms and conditions of the Program Policies outlined herein. Furthermore, the Operator agrees that the failure to comply with these terms and conditions shall be cause for written reprimand, suspension, or termination from the Program. Alleged Operator violations of the Program Policies will be investigated by the Department, and the Operator will be notified of the Department's findings within 30 days after the conclusion of the investigation.

C. MAJOR VIOLATIONS

Violations of the terms and conditions of the Program Policies that are subject to suspension for the first violation are categorized as a major violation. Any subsequent or continuing major violations may be cause for termination. When considering punitive action for a major violation of the Policies, the Chief of Police may take into consideration all major and minor violations that occurred within 36 months prior to the date of the current violation.

Termination shall be invoked if, in the Chief of Police's judgment, continued participation in the Rotation Tow Program by the affected tow Operator may result in a hazard to public safety or welfare, or if the Operator has been convicted of a crime. In lieu of termination, the Lathrop Police Department may impose additional suspensions for longer periods, if deemed appropriate.

Major violations include:

1. The failure of the Operator to maintain the minimum insurance requirements as set forth in Section IV(D) of the Policies.
2. The refusal to respond to or perform the required towing service when directed as set forth in Section III(I) of the Policies.
3. The failure to meet the inspection requirements as set forth in Section IV(C) of the Policies.
4. The submission to the Department or to a vehicle owner of an unreasonable rate as set forth in Section V (Fees and Rates) of the Policies.
5. The failure to obtain and maintain a current City of Lathrop business license by January 15th of each year as set forth in Section VI(E) of the Policies.
6. The failure to comply with the business records requirements as set forth in Section VI(F) of the Policies.
7. The failure to comply with the business advertising requirements as set forth in Section VI(G) of the Policies.
8. The failure to comply with the Conduct and Behavior requirements as set forth in Sections VIII(A)-(C) of the Policies.
9. A violation of any of the equipment requirements related to public safety.
10. A failure of the Operator to satisfy a court order mandating reimbursement to the vehicle or property owner for damage or loss which occurred while the vehicle was in the Operator's custody.
11. A violation of the Gross Vehicle Weight Rating ("GVWR") and safe loading requirements of a tow truck.
12. A violation of the Biennial Inspection of Terminals ("BIT") Program requirements

D. MINOR VIOLATIONS

Except as specifically stated in the Agreement, minor violations of the terms and conditions of the Agreement may be cause for disciplinary action in the following manner.

1. First violation within a 12-month period - Letter of written reprimand.
2. Second violation within a 12-month period – Thirty-day (30) suspension.

3. Third violation within a 12-month period - Sixty to Ninety (60 to 90) day suspension.
4. Fourth violation within a 12-month period - Removal from the Program.

In lieu of a termination, the Lathrop Police Department may impose additional suspensions for longer periods, if deemed appropriate. Nothing herein shall be deemed to prohibit the Lathrop Police Department from immediately suspending any Operator whose conduct, or that of his/her employee(s), in the discretion of the Chief of Police, is deemed to be a danger to the motoring public or who has engaged in conduct constituting a flagrant violation of the Policies or the Tow Service Agreement.

E. DISCIPLINARY ACTION

The Chief of Police shall take disciplinary action against Operators for violations investigated and confirmed or sustained. The Chief of Police shall retain discretion regarding the length of any suspension imposed pursuant to the terms and conditions of this Agreement. Records of violations shall be retained by the Lathrop Police Department for at least 36 months.

An Operator tow driver, while on-duty and driving a tow truck, who is arrested and subsequently convicted for misdemeanor driving under the influence of alcohol and/or drugs, will be subject to suspension from participating as a tow truck driver under the provisions of this Agreement. The length of suspension will be at the Chief of Police's discretion.

If the Operator is serving a suspension for one year or more, the Operator shall be required to comply with all terms and conditions of the current Tow Service Agreement and Policies at the time of the reinstatement. There will be no approval of equipment that is not in compliance with the equipment specifications contained in the Policies at the time of reinstatement.

X. VARIOUS PROVISIONS

A. AGENT

An Operator by agreeing to participate in the program is not acting as an agent for the Lathrop Police Department or the City of Lathrop when performing services under the Program. Thus, the Operator has no authority to make agreements, decisions, or any other action on behalf of the Department or the City of Lathrop. Moreover, the Department and the City of Lathrop are not liable for any intentional or negligent act on the part of the Operator.

B. INDEMNIFICATION

Operator agrees to indemnify, defend and save harmless the City of Lathrop, the Department, its officers, agents, and employees from any and all claims and losses accruing to or resulting from the actions by the Operator or the City of Lathrop or the Department in connection with the performance of the Program. The Operator also agrees to indemnify, defend, and

save harmless the City of Lathrop, the Department, its officers, agents, and employees and from any and all claims and losses accruing or resulting to any person, firm, or Corporation who may be injured or damaged by the Operator in the performance of this Program.

C. ANNUAL MEETINGS

The Chief of Police may conduct an annual meeting to discuss issues concerning the tow rotation. Attendance at the annual meetings shall be mandatory for the Operator or his/her designee. The Lathrop Police Department shall provide the Operator with 30 days' written notice prior to such a meeting.

D. TERM

The term of the Policies and the Tow Service Agreement shall be one (1) year. Both the Policies and the Tow Service Agreement are renewable every January of each year.

E. MIDTERM REVIEW OF POLICIES

The purpose of this section is to provide a process for a midterm review of the terms and conditions of the Policies in the event that there is a legitimate and substantial change in conditions or law affecting the majority of the Operators participating in the Program.

Examples of such conditions may include, but are not limited to:

- 1) Substantial increase or decrease in business expenses.
- 2) Advances in technology in the industry related to safety issues.
- 3) Changes in law requiring the Department or the Operators to perform specific functions or operations in order to comply.
- 4) Changes in the terms and conditions of the Agreement brought about as a result of recommendations from the Tow Service Agreement Advisory Committee.
- 5) Proposed changes to the terms and conditions agreed upon by the Chief of Police and the Operators at the time that the Agreement was signed (e.g. response times).

A midterm review of the terms and conditions of the Policies may only be granted by the Chief of Police. A request for a midterm review of the terms and conditions of the Agreement must be directed to the Chief of Police, in writing, from a representative of the towing industry, not merely at the request of a single Operator. The Chief of Police may also request a midterm review if he/she feels it is in the best interest of the motoring public, the tow industry, or the Department to conduct such a review. However, conditions indicating a need for midterm review must be substantial and must affect the entire towing industry or the Lathrop Police Department.

For purposes of this agreement, the midterm review process is not intended to provide relief for a small number of Operators who wish to increase their rates or change any other term or condition of the Agreement, to compensate for financial problems brought about as a result of business decisions or conditions which affect a small percentage of the industry.

The Chief of Police, after completing the review of all issues, may authorize the Operators to submit their proposed changes or he/she may notify the Operators of the changes to be implemented and direct them to comply with those changes. If, after evaluating all pertinent information the Chief of Police authorizes or directs a change in the terms and conditions of the Policies, or if he/she decides that a change is not justified, the Chief of Police shall notify the towing industry representative within 14 calendar days after making the decision.

Operators shall resubmit their proposed changes in writing to the Chief of Police within 7 calendar days of the date that the Chief of Police announces his/her decision. Failure to resubmit a written proposal within the specified time may result in the Operator forfeiting his/her ability to propose more equitable conditions or rates or may be cause for disciplinary action or termination of participation in the Program.

If the proposed change affects tow rates only, Operators shall resubmit their proposed rates. The Chief of Police shall determine the reasonableness of the rate, based upon the average of the proposed rates submitted. An additional page with the new rate(s) shall be signed and attached to the original application.

In the event that the towing industry representative is dissatisfied with the Chief of Police's decision regarding the midterm review, the towing industry, through its representative, may request a hearing by submitting a request in writing to the Chief of Police within 7 calendar days. If a hearing is requested, it shall be conducted by the Chief of Police, or his/her designee, as soon as practicable. The number of representatives at the hearing shall be limited to a maximum of two. The representative(s) shall be entitled to present all relevant factors and circumstances in support of the industry's position. A designated representative shall be notified in writing of the decision of the Chief of Police within 7 calendar days of the date of the hearing. The decision of the Chief of Police is final.

XI. DEFINITIONS

A. CARGO

Cargo includes business commodities, goods, and supplies in transit.

B. CITY OWNED VEHICLE

A vehicle owned, leased or rented and used by the City of Lathrop, or any of its departments or agencies.

C. CITY OF LATHROP CORPORATION YARD

The corporation yard for the City of Lathrop located at:

2112 E Louise Ave
Lathrop, CA 95330

D. DEPARTMENT STATION

The Department Station located at:

Lathrop Police Department
940 River Islands Parkway
Lathrop, CA 95330

E. INCIDENT COMMANDER

The Incident Commander is the Police Officer who is in charge of a specific major accident or incident.

F. OPERATOR

An Operator is a tow truck company that has a Tow Service Agreement with the Department and that has satisfied the qualifications and requirements as stated in the Policies. Where applicable, an Operator also includes the Operator's employees.

G. PERSONAL PROPERTY

Personal property are items which are not affixed to the vehicle. Personal property includes, but is not necessarily limited to, papers, transportable cellular telephones, pull-out radios, portable radios and portable stereo equipment, clothes, luggage, and tools.

H. DEPARTMENT COMMUNICATION CENTER

The Lathrop Police Department's Communications Center is located within the City of Ripon Police Dispatch Center, located at 259 N Wilma Ave, Ripon, CA 95366. It is responsible for all incoming and outgoing calls with the public and with Department officers.

I. RISK MANAGEMENT AGENCY (RMA)

The RMA is the insurance program for the City of Lathrop and for the Department.

J. TOW SERVICE AGREEMENT

The agreement specific to the Department and the Operator for the Operator to participate in the Tow Rotation Program.

K. WATCHCOMMANDER

The Watch Commander is the Police Officer who is in charge of a specific shift.

CITY OF LATHROP

TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

THIS AGREEMENT, dated for convenience this _____ day of **MONTH YEAR** is by and between **OPERATOR NAME**, ("OPERATOR"), and the **CITY OF LATHROP**, a California municipal corporation ("CITY").

RECITALS:

WHEREAS, from time to time, the Lathrop Police Department requires the use of tow services for itself or for third parties, either in the course of operations or for emergency services; and

WHEREAS, the Lathrop Police Department Chief of Police has established a rotation tow list for each class of tow in order to properly distribute and select a tow company when such tow services are required pursuant to Police Powers and California Vehicle Code section 12110(B); and

WHEREAS, selection is made in accordance with the Lathrop Police Department Tow Rotation Program, the terms of which are described in the Lathrop Police Department Tow Policies ("POLICIES"), hereby attached as Exhibit "A"; and

WHEREAS, OPERATOR'S participation in the Tow Rotation Program is voluntary, but in order for OPERATOR to be eligible to participate in the Tow Rotation Program, OPERATOR must agree to and abide by the terms set forth in this Agreement and in the POLICIES; and

NOW, THEREFORE, OPERATOR and the CITY agree as follows:

AGREEMENT**(1) Scope of Service**

OPERATOR agrees to perform services in accordance with the POLICIES provided by the CITY, attached hereto as Exhibit "A", and incorporated herein by reference. OPERATOR agrees to diligently perform these services in accordance with the upmost standards of its profession and to CITY's satisfaction.

(2) Fees

- (a) OPERATOR agrees to pay a Three Hundred Dollar (\$300.00) annual fee for participation in the Tow Rotation Program to cover administrative

EXHIBIT C

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

costs of the program implementation incurred by the CITY. This fee may be adjusted from time to time.

- (b) OPERATOR agrees to pay a One Hundred Dollar (\$100.00) fee for every tow truck driver employed by the OPERATOR participating in the program. The fees must be paid within Thirty (30) days from the Effective Date, or if the tow truck driver is hired after the Effective Date, within Thirty (30) days from the date of hire. This is a one-time fee per tow truck driver for the Department to perform a background check on the driver to ensure qualification. This fee may be adjusted from time to time.

(3) Effective Date and Term

The effective date of this Agreement is **DATE**, and it shall be for a term ending **December 31, 20__**. CITY and OPERATOR shall agree to renew each January thereafter, given all requirements have been met and the annual fee has been paid by **DATE**.

(4) Independent OPERATOR Status

It is expressly understood and agreed by both parties that OPERATOR, while engaged in carrying out and complying with any of the terms and conditions of this Agreement, is an independent OPERATOR and not an employee of the CITY. OPERATOR expressly warrants not to represent, at any time or in any manner, that OPERATOR is an employee of the CITY.

(5) Non-Transferable

This Agreement and the services stated herein are exclusive to the OPERATOR stated above, and are not transferrable or assignable to any other OPERATOR, person or entity. The sale or transfer of the controlling interest by OPERATOR in its company shall immediately terminate the Agreement. A new owner may apply to the Tow Rotation Program at any time during the remainder of the current Agreement Term or thereafter.

(6) Participation in the Rotation Program

In return for the OPERATOR'S compliance with this Agreement and with the Policies, the CITY will include OPERATOR on the rotation tow list in accordance with the Policies.

(7) Position on the Rotation List

A call to an OPERATOR shall constitute one turn on the list, after which the OPERATOR shall be moved to the bottom of the list. This includes when the

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

OPERATOR fails to answer the phone, is unable to respond, is unable to perform the required service, refuses to respond or provide service, or is canceled due to excessive response time. If it is determined that the OPERATOR is not needed and is canceled by the CITY, at any time up to or upon arrival at the scene, there shall be no charges, and the OPERATOR will be placed back at the top of the list.

(8) Department Discretionary Authority

Nothing in this Agreement or in the Policies shall prohibit a Department officer from requesting a specific tow company when, in the officer's discretion, the situation calls for resources or services that cannot be provided by the tow company that would otherwise have first priority under the Tow Rotation Program.

(9) Emergency Situations

The Lathrop Police Department Incident Commander may direct an OPERATOR to move vehicles to help clear a roadway or for lifesaving operations. OPERATOR must provide the assistance as directed. There shall be no charge for this assistance, and the assistance provided shall not affect the OPERATOR'S position in the rotation.

(10) Accident Scene Incurred in the Ordinary Course of Business

There may be times when an OPERATOR, who was not called to a scene, comes upon a collision scene where a vehicle or vehicles are blocking a roadway and a Department officer requests the OPERATOR'S assistance in clearing the roadway. In such a case, the OPERATOR may be requested to move the vehicle to a safe location, as directed by the officer. The OPERATOR may not charge for this assistance, and the assistance provided shall not change the OPERATOR'S place in the rotation.

(11) City of Lathrop Vehicles

The OPERATOR agrees, as a condition of participation in the Tow Rotation Program, to tow all City of Lathrop owned vehicles at no charge to the City of Lathrop from where the vehicle is located to the Department Station, the City Corporation Yard, or any other location as designated by the CITY. A request to tow a City Owned Vehicle by the Lathrop Police Department will not affect the position of the OPERATOR'S rotation position.

(12) Limitation on Rates

In an effort to remain competitive in the open market, the OPERATOR may lower retail rates at any time by first notifying the CITY. When an OPERATOR lowers its retail rate, that retail rate becomes the new approved CITY rate. OPERATORS

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

may only raise rates for CITY calls upon approval by the CITY. OPERATORS may raise rates for non-Lathrop Police Department calls at any time.

(13) Licenses

If a license of any kind, which term is intended to include evidence of registration, is required of OPERATOR, its employees, agents, or sub operators by federal or state law, OPERATOR warrants that such license has been obtained, is valid and in good standing, and OPERATOR shall keep it in effect at all times during the term of this Agreement, and that any applicable bond has been posted in accordance with all applicable laws and regulations.

(14) Business License Requirement

The OPERATOR must obtain and maintain a current City of Lathrop Business License. A copy of the current City of Lathrop Business License must be received each year no later than January 15th. If a current copy of the OPERATOR'S City of Lathrop Business License has not been received by January 15th of each year, the OPERATOR may be immediately disqualified from participation in the Tow Rotation Program. Operator may participate in the Program upon obtaining a current City of Lathrop Business License and all other requirements have been met.

(15) Insurance Requirement

Proof of insurance must be shown in the form of a certificate of insurance in the amounts specified in the Policies. Insurance policy expiration or cancellation will immediately nullify the OPERATOR'S participation in the Tow Rotation Program. The OPERATOR shall provide the Lathrop Police Department with a written notice in the event the insurance policy is canceled or is due to expire within Thirty (30) days.

(16) Indemnification - OPERATOR'S Responsibility

Notwithstanding anything contrary to anything contained in the Agreement OPERATOR agrees to defend and hold City of Lathrop harmless from and against any and all loss, cost, liability and expense from third party claims where any equipment provided and installed by OPERATOR hereunder is the sole and direct cause of any property damage or personal injury (as opposed to cases where failure or malfunction of the system merely contributes to a loss or injury started from another source), or where an employee of OPERATOR causes personal injury or property damage in performing the installation or servicing of equipment while on User's premises or where the loss or injury is caused by negligent acts or omissions of installers or maintenance personnel of OPERATOR, constituting intentional and willful misconduct. User shall indemnify, defend, protect and hold

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

OPERATOR harmless from and against any and all property loss claims including all third party property losses except where any equipment provided and installed by OPERATOR hereunder is the sole and direct cause of any property damage or personal injury (as opposed to cases where failure or malfunction of the system merely contributes to a loss or injury started from another source), or where an employee of OPERATOR causes personal injury or property damage in performing the installation or servicing of equipment while on User's premises or where the loss or injury is caused by negligent acts or omissions of installers or maintenance personnel of OPERATOR, constituting intentional and willful misconduct.. For any third-party losses where OPERATOR's actions while on site are the sole and direct cause of aforesaid loss vs equipment or monitoring failure, OPERATOR has the duty to defend as set forth in Section 2778 of the California Civil Code.

(17) Conflict between the Agreement and the Policies

The OPERATOR must fully comply with all terms contained in this Agreement and in the Policies as amended from time-to-time. However, this Agreement is the controlling document if there is a conflict between the Agreement and the Policies.

(18) Termination

Either CITY or OPERATOR may cancel this Agreement upon 30 days written notification to the other party. In the event of termination, the OPERATOR shall be entitled to compensation for services performed to the effective date of termination; provided, however, that the CITY may condition payment of such compensation upon OPERATOR'S delivery to the CITY of any or all documents, photographs, computer software, video and audio tapes, and other materials provided to OPERATOR or prepared by or for OPERATOR or the CITY in connection with this Agreement.

(19) Notices

All contracts, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) Days by delivery of a hard copy of the material sent by facsimile transmission. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR
PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION
PROGRAM

To City: City of Lathrop
City Clerk
390 Towne Centre
Lathrop, CA 95330

Copy to: Lathrop Police Department
Chief of Police
940 River Islands Parkway
Lathrop, CA 95330

MAIN: (209) 647-6400
FAX: (209) 647-6428

To Operator: **OPERATOR NAME**
OPERATOR ADDRESS
OPERATOR ADDRESS
OPERATOR PHONE NUMBER

(20) Miscellaneous

- (a) Consent. Whenever in this Agreement the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (b) Controlling Law. The parties agree that this Agreement shall be governed and construed by and in accordance with the Laws of the State of California.
- (c) Definitions. The definitions and terms are as defined in these specifications.
- (d) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Agreement, which directly results from an Act of God or an act of a superior governmental authority.
- (e) Headings. The paragraph headings are not a part of this Agreement and shall have no effect upon the construction or interpretation of any part of this Agreement.
- (f) Incorporation of Documents. All documents constituting the Agreement documents described in Section 1 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

the Agreement and shall be deemed to be part of this Agreement.

- (g) Integration. This Agreement and any amendments hereto between the parties constitute the entire Agreement between the parties concerning the Project and Work, there are no other prior oral or written agreements between the parties that are not incorporated in this Agreement.
- (h) Modification of Agreement. This Agreement shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (i) Provision. Any agreement, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Agreement shall define or otherwise control, establish or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (j) Severability. If a court of competent jurisdiction finds or rules that any provision of this Agreement is void or unenforceable, the provisions of this Agreement not so affected shall remain in full force and effect.
- (k) Status of OPERATOR. In the exercise of rights and obligations under this Agreement, OPERATOR acts as an independent OPERATOR and not as an agent or employee of CITY. OPERATOR shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of CITY, and OPERATOR expressly waives any and all claims to such right and benefits.
- (l) Successors and Assigns. The provisions of this Agreement shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
- (m) Time of the Essence. Time is of the essence of this Agreement and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday or any Day observed as a legal holiday by CITY, the time for performance shall be extended to the following Business Day.
- (n) Venue. In the event that suit is brought by either party hereunder,

EXHIBIT C

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.

- (o) Recovery of Costs. The prevailing party in any action brought to enforce the terms of this Agreement or arising out of this Agreement may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.

(21) Notice to Proceed

Prior to commencing work under this agreement, OPERATOR shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received.

(22) Signatures

The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the OPERATOR and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

EXHIBIT C

CITY OF LATHROP – TOW SERVICE AGREEMENT WITH OPERATOR NAME FOR PARTICIPATION IN CITY OF LATHROP POLICE DEPARTMENT TOW ROTATION PROGRAM

Approved as to Form:

City of Lathrop
City Attorney

Salvador Navarrete

Date

Recommended for Approval:

City of Lathrop
Chief of Police

Stephen Sealy

Date

Approved By:

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

Stephen J. Salvatore
City Manager

Date

OPERATOR:

OPERATOR NAME
OPERATOR ADDRESS
OPERATOR ADDRESS
Fed ID # _____
Business License # _____

Signature

Date

(Print Name and Title)

Signature

Date

(Print Name and Title)

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**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM: **RATIFY EMERGENCY SERVICE CONTRACT WITH
ADVANCED INTEGRATION & CONTROLS TO PROVIDE
TECHNICAL SERVICES AND SUPPORT FOR CONTROL
SYSTEMS HARDWARE AND SOFTWARE**

RECOMMENDATION: **Adopt a Resolution to Ratify an Emergency Service
Contract with Advanced Integration & Controls to
Provide Technical Services and Support for Control
Systems Hardware and Software**

SUMMARY:

The emergency service contract that includes an initial assessment along with maintenance service and on-call support with Advanced Integration & Controls (AIC) was initiated due to the termination of the previous contract for support services related to the City's Supervisory Control and Data Acquisition (SCADA) system on December 11, 2025. The SCADA system provides continuous, 24-hour monitoring and control of the City's water facilities and river discharge process, both of which are governed by State and Federal environmental regulations

The City Manager signed the Emergency Service Contract on November 20, 2025, with AIC to provide technical services and support for controls systems hardware and software prior to the termination of the previous contract to ensure continuity of services and preservation of property. Uninterrupted support services for these facilities is critical due to the critical necessity to maintain the water utility stations and wells throughout the City. Staff requests City Council ratify the service contract with AIC to provide technical services and support for control systems hardware and software in the amount of \$234,400, through June 30, 2026. Sufficient funds have been included in the approved budget for fiscal year (FY) 25/26 annual expense.

BACKGROUND:

The City of Lathrop's Supervisory Control and Data Acquisition (SCADA) System monitors and controls the City's common infrastructure in the following utility groups: Water system, Storm Water system, Wastewater system, and Recycled Water system equipment. The river discharge process is a critical and highly regulated operation, overseen by the State Water Resources Control Board (SWRCB) and subject to Environmental Protection Agency (EPA) standards. Any disruption or system failure could place the City at risk of non-compliance with these regulations and threaten essential public health and environmental protections.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
RATIFY SERVICE CONTRACT WITH ADVANCED INTEGRATION & CONTROLS
TO PROVIDE TECHNICAL SERVICES AND SUPPORT FOR CONTROL SYSTEMS
HARDWARE AND SOFTWARE

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The SCADA system is composed of both hardware and software components that monitor and control the wells, booster stations, lift stations and pump stations for the City's storm drainage, water, wastewater and recycled water systems. The SCADA system allows staff to remotely monitor processes and production of the City's infrastructure by providing real-time data visualization and alarms of City Infrastructure, to help improve production efficiency.

The contract with AIC guarantees 24-hour availability and includes a two-hour emergency response commitment to ensure uninterrupted operation of the City's critical systems. The terms of this contract further stipulate that AIC is required to provide a minimum credit of \$1,000 for any instance in which AIC fails to respond to an emergency support call within the two-hour window, ensuring accountability and operational reliability.

The contract with AIC includes all the water station facilities while the previous agreement only allowed for maintenance and repair of a portion of the City's facilities. The funding for the contract with AIC is sufficient as no maintenance work has been completed by the vendor previously under contract for these services since January of 2025. Therefore, no maintenance invoices have been issued for this fiscal year and there are sufficient funds for this expense.

At the request of staff, AIC submitted a proposal for technical and support services which includes an initial assessment to establish remote capability, preventative and break fix services at all water facilities for a total cost not to exceed \$234,400.

Due to the critical necessity to maintain the water utility stations and wells throughout the City, the City Manager signed the Emergency Service Contract on November 20, 2025. Pursuant to Lathrop Municipal code (LMC) 2.36.080(a), the emergency service contract is vital to preserving property, protecting public health and ensuring compliance with environmental and municipal requirements. The City Manager signed the emergency contract with AIC prior to the termination of the previous contract to ensure continuity of support services for these vital City facilities.

Staff recommends City Council ratify the Emergency Service Contract to provide Technical Service and Support with AIC for the Supervisory Control and Data Acquisition (SCADA) System for a total cost not to exceed \$234,400 through June 30, 2026.

REASON FOR RECOMMENDATION:

The SCADA Water system, Storm Water system, Wastewater system, and Recycled Water system computer equipment requires a level of technical skill that the City does not have. The SCADA Technical Services and Support Agreement with AIC is necessary to avoid interruption and to ensure efficient and effective operation of the City's SCADA system.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**RATIFY SERVICE CONTRACT WITH ADVANCED INTEGRATION & CONTROLS
TO PROVIDE TECHNICAL SERVICES AND SUPPORT FOR CONTROL SYSTEMS
HARDWARE AND SOFTWARE****FISCAL IMPACT:**

The annual costs to provide SCADA technical and support services are budgeted in the Council approved operating budget for the various districts. The SCADA Support contract is allocated to each of these districts based on their usage of the SCADA technical and support services.

ATTACHMENTS:

- A. Resolution to Ratify an Emergency Service Contract with Advanced Integration & Controls to Provide Technical Services and Support for Control Systems Hardware and Software
- B. Emergency Service Contract with Advanced Integration & Controls to Provide Technical Services and Support for Control Systems Hardware and Software

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
RATIFY SERVICE CONTRACT WITH ADVANCED INTEGRATION & CONTROLS
TO PROVIDE TECHNICAL SERVICES AND SUPPORT FOR CONTROL SYSTEMS
HARDWARE AND SOFTWARE

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APPROVALS:



Tony Fernandes
Information Systems Director

12-18-2025
Date



Cari James
Finance Director

12 / 18 / 2025
Date




Thomas Hedegard
Deputy City Manager

12 / 18 / 2025
Date



Salvador Navarrete
City Attorney

12-17-2025
Date



Stephen J. Salvatore
City Manager

1.6.26
Date

RESOLUTION NO. 26 -

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO RATIFY EMERGENCY SERVICE CONTRACT WITH ADVANCED INTEGRATION & CONTROLS TO PROVIDE TECHNICAL SERVICES AND SUPPORT FOR CONTROL SYSTEMS HARDWARE AND SOFTWARE

WHEREAS, the previous contract to provide technical services and support for control systems hardware and software terminated on December 11, 2025; and

WHEREAS, maintaining continuous operation of the SCADA and river discharge systems is vital to preserving property, protecting public health, and ensuring compliance with environmental and municipal requirements; and

WHEREAS, pursuant to LMC 2.36.080(A), the emergency service contract with AIC for on-call support along with preventative maintenance of the SCADA systems is necessary to preserve property and maintain essential public services; and

WHEREAS, the City Manager signed the Emergency Service Contract on November 20, 2025, with AIC to provide technical services and support for controls systems hardware and software in the amount of \$234,400, through June 30, 2026; and

WHEREAS, funding for the proposed contract with AIC is sufficient as no maintenance work has been completed by the vendor previously under contract for these services since January of 2025; and

WHEREAS, staff recommends City Council ratify the Emergency Service Contract to provide Technical Service and Support with AIC for the Supervisory Control and Data Acquisition (SCADA) System for a total cost not to exceed \$234,400, through June 30, 2026;

NOW, THEREFORE, BE IT RESOLVED, the City Council of the City of Lathrop does hereby ratify the Emergency Service Contract to provide Technical Service and Support with AIC for the Supervisory Control and Data Acquisition (SCADA) System for a total cost not to exceed \$234,400, through June 30, 2026.

The foregoing resolution was passed and adopted this 12th day of January 2026, by the following vote of the City Council, to wit:

AYES:

NOES:

ABSENT:

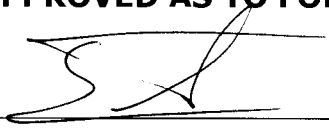
ABSTAIN:

Paul Akinjo, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

Office of the City Manager

390 Towne Centre Dr. – Lathrop, CA 95330
Phone (209) 941-7220 – fax (209) 941-7248
www.ci.lathrop.ca.us

NOTICE TO PROCEED

November 20, 2025

Advanced Integration & Controls
Attn: Shain Thomas
525 W. Alluvial Avenue
Fresno, CA 93711

Dear Ms. Thomas:

Enclosed please find your original executed emergency service contract to provide technical services and support for control systems hardware and software. This is your Notice to Proceed to the attached service contract.

Should you have any questions regarding the project, please contact Tony Fernandes at (209) 941-7349, the staff member directly involved with this project.

Sincerely,



Stephen J. Salvatore
City Manager

Copy: Teresa Vargas, City Clerk
Project File

**EMERGENCY SERVICE CONTRACT BETWEEN THE CITY OF
LATHROP AND ADVANCED INTEGRATION & CONTROLS
TO PROVIDE TECHNICAL SERVICES AND SUPPORT FOR CONTROL
SYSTEMS HARDWARE AND SOFTWARE**

THIS EMERGENCY SERVICE CONTRACT (hereinafter "Contract") dated for November 10 2025 is by and between the **City of Lathrop**, a municipal corporation of the State of California (hereinafter "City") and **Advanced Integration & Controls** (hereinafter "Consultant"), whose Taxpayer Identification Number is 33-1475345.

For and in consideration of the following covenants, terms and conditions, City and Consultant (the parties) agree:

SCOPE OF WORK

Consultant agrees to provide Technical Services and Support for Control Systems Hardware and Software with the City's standard in accordance with the scope of work and fee proposal provided by the Consultant, attached hereto as Exhibit "A" and Exhibit "B" and incorporated herein by reference. Consultant agrees to diligently perform these services in accordance with the upmost standards of its profession and to City's satisfaction.

When paid in full at the beginning of the emergency service contract term, the CITY is entitled to listed contract rates, priority response, and guaranteed a one-hour call back response time during normal business hours, and a two-hour call back response time after normal working hours with a \$1,000 credit for each missed response. These rates and terms are identified in Exhibit "A".

CONTRACT PRICE

CITY hereby agrees to pay CONSULTANT a sum not to exceed **\$154,800**, for maintenance and support services as identified and set forth in Exhibit "A" and a sum not to exceed **\$50,000** for on-call emergency services on a time and materials basis as described in the rate sheet listed on Exhibit "A" for emergency support services. CITY hereby agrees to pay CONSULTANT a one-time fee for not to exceed **\$38,600** for an initial assessment as identified and set forth in Exhibit "B". Total contract amount shall not exceed **\$243,400**. CONSULTANT shall be paid within thirty (30) days of receipt of billings containing all information pursuant to Paragraph 5 below. In no event shall CONSULTANT be entitled to compensation for work not included in Exhibit "A", unless a written change order or authorization describing the extra work and payment terms has been executed by CITY's authorized representative prior to the commencement of the work.

**EMERGENCY SERVICE CONTRACT
ADVANCED INTEGRATION & CONTROLS PROVIDE TECHNICAL SERVICES AND SUPPORT FOR
CONTROL SYSTEMS HARDWARE AND SOFTWARE
TIME FOR PERFORMANCE**

The effective date of this Agreement is November 20, 2025, and shall terminate no later than June 30, 2026. Additional extensions of this agreement beyond June 30, 2026 shall not be automatic and shall require a separate letter extending the agreement based upon the agreement of the parties at that time.

PERMITS; COMPLIANCE WITH LAW

The Consultant shall, at its expense, obtain all necessary permits, licenses, easements, etc., for the construction of the project, give necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules and regulations relating to the work and to the preservation of the public health and safety.

INSPECTION BY CITY

The Consultant shall at all times maintain proper facilities and provide safe access for inspection by the City to all parts of the work, and to the shops wherein the work is in preparation. Where the Specifications require work to be specially tested or approved, it shall not be tested or covered up without timely, written approval by the City.

Should any such work be covered up without such notice, approval, or consent, it must, if required by City, be uncovered for examination at the Consultant's expense.

NOTICE

Any notice from one party to the other under the Contract shall be in writing and shall be dated and signed by the party giving such notice or by a duly authorized representative of such party. Any such notice shall not be effective for any purpose whatsoever unless served in the following manner.

- (a) If the notice is given to the City, by personal delivery thereof to the City's Director of Public Works, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the City's Director of Public Works, postage prepaid and certified;
- (b) If the notice is given to the Consultant, by personal delivery thereof to said Consultant or to its duly authorized representative at the site of the project, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to the Consultant at the address set forth in the Consultant's Bid postage prepaid and certified; or
- (c) If the notice is given to the surety or any other person, by personal delivery to such surety or other person, or by depositing the same in the United States mail, enclosed in a sealed envelope, addressed to such surety or other person, as the case may be, at the address of such surety or person

**EMERGENCY SERVICE CONTRACT
ADVANCED INTEGRATION & CONTROLS PROVIDE TECHNICAL SERVICES AND SUPPORT FOR
CONTROL SYSTEMS HARDWARE AND SOFTWARE**

last communicated by it to the party giving the notice, postage prepaid and certified.

ACCIDENT PREVENTION

Precaution shall be exercised at all times for the protection of persons (including employees) and property. The safety provisions of applicable laws, building and construction codes shall be observed. Machinery, equipment, and other hazards shall be guarded or eliminated in accordance with the safety provisions of the Construction Safety Orders issued by the Occupational Safety and Health Standards Board of the State of California.

CONSULTANT'S WARRANTY

The City shall not, in any way or manner, be answerable or suffer loss, damage, expense or liability for any loss or damage that may happen in relation to Consultant's scope of work to said building, work, or equipment or any part thereof, or in, on, or about the same during its construction and before acceptance. Consultant unqualifiedly warrants all work and materials to be free of defects whether performed or installed by it or by any subcontractor or supplier in the project which is the subject of this Contract.

HOURS OF WORK

Eight (8) hours of work in any calendar day shall constitute a legal day's work. The Consultant and each subcontractor shall forfeit, as penalty to the City, twenty-five dollars (\$25) for each worker employed in the execution of work on the Project by the Consultant or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any calendar week in violation of the provisions of the Labor Code, and in particular, Section 1810 to Section 1815, thereof, inclusive, except that work performed by employees of the Consultant and his subcontractors in excess of eight hours per day at not less than one and one half times the basic rate of pay, as provided in Labor Code section 1815.

INSURANCE

On or before beginning any of the services or work called for by any term of this Agreement, CONSULTANT, at its own cost and expense, shall carry, maintain for the duration of the Agreement, and provide proof thereof that is acceptable to the CITY the insurance specified in subsections (a) through (c) below with insurers and under forms of insurance satisfactory in all respects to the CITY.

CONSULTANT shall not allow any subcontractor to commence work on any subcontract until all insurance required of the CONSULTANT has also been obtained for the subcontractor. Verification of this insurance shall be submitted and made part of this Agreement prior to execution.

**EMERGENCY SERVICE CONTRACT
ADVANCED INTEGRATION & CONTROLS PROVIDE TECHNICAL SERVICES AND SUPPORT FOR
CONTROL SYSTEMS HARDWARE AND SOFTWARE**

- (a) Workers' Compensation. CONSULTANT shall, at CONSULTANT'S sole cost and expense, maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by CONSULTANT. Said Statutory Workers' Compensation Insurance and Employer's Liability Insurance shall be provided with limits of not less than one million dollars (\$1,000,000). In the alternative, CONSULTANT may rely on a self-insurance program to meet these requirements provided that the program of self-insurance complies fully with the provisions of the California Labor Code. The insurer, if insurance is provided, or the CONSULTANT, if a program of self-insurance is provided, shall waive all rights of subrogation against the CITY for loss arising from work performed under this Agreement.
- (b) Commercial General and Automobile Liability Insurance. CONSULTANT, at CONSULTANT'S own cost and expense, shall maintain commercial general and automobile liability insurance for the period covered by this Agreement in an amount not less than one million dollars per occurrence (\$1,000,000), combined single limit coverage for risks associated with the work contemplated by this Agreement. If Commercial General Liability Insurance or an Automobile Liability form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles.

Coverage shall be at least as broad as Insurance Services Office Commercial General Liability occurrence form CG 0001 (ed. 11/88) and Insurance Services Office Automobile Liability form CA 0001 (ed. 12/90) Code 1 (any auto).

Each of the following shall be included in the insurance coverage or added as an endorsement to the policy:

- (i) CITY, its officers, employees, and volunteers are to be covered as insured with respect to each of the following: liability arising out of activities performed by or on behalf of CONSULTANT; products and completed operations of CONSULTANT; premises owned, occupied or used by CONSULTANT. The coverage shall contain no special

**EMERGENCY SERVICE CONTRACT
ADVANCED INTEGRATION & CONTROLS PROVIDE TECHNICAL SERVICES AND SUPPORT FOR
CONTROL SYSTEMS HARDWARE AND SOFTWARE**

limitations on the scope of protection afforded to CITY, its officers, employees, agents, or volunteers.

- (ii) The insurance shall cover on an occurrence or an accident basis, and not on a claim made basis.
 - (iii) An endorsement must state that coverage is primary insurance and that no other insurance affected by the CITY will be called upon to contribute to a loss under the coverage.
 - (iv) Any failure of CONSULTANT to comply with reporting provisions of the policy shall not affect coverage provided to CITY and its officers, employees, agents, and volunteers.
 - (v) Insurance is to be placed with California-admitted insurers with a Best's rating of no less than A: VII.
 - (vi) Notice of cancellation or non-renewal must be received by CITY at least thirty days prior to such change.
- (c) Deductibles and Self-Insured Retentions. CONSULTANT shall disclose the self-insured retentions and deductibles before beginning any of the services or work called for by any term of this Agreement. During the period covered by this Agreement, upon express written authorization of CITY Manager, CONSULTANT may increase such deductibles or self-insured retentions with respect to CITY, its officers, employees, agents, and volunteers. The CITY Manager may condition approval of an increase in deductible or self-insured retention levels upon a requirement that CONSULTANT procure a bond guaranteeing payment of losses and related investigations, claim administration, and defense expenses that is satisfactory in all respects to each of them.
- (d) Notice of Reduction in Coverage. In the event that any coverage required under subsections (a), (b), or (c) of this section of the Agreement is reduced, limited, or materially affected in any other manner, CONSULTANT shall provide written notice to CITY at CONSULTANT earliest possible opportunity and in no case later than five days after CONSULTANT is notified of the change in coverage.
- (e) In addition to any other remedies CITY may have if CONSULTANT fails to provide or maintain any insurance policies or policy endorsements to the extent and within the time herein required, CITY may, at its sole option:

**EMERGENCY SERVICE CONTRACT
ADVANCED INTEGRATION & CONTROLS PROVIDE TECHNICAL SERVICES AND SUPPORT FOR
CONTROL SYSTEMS HARDWARE AND SOFTWARE**

- (i) Obtain such insurance and deduct and retain the amount of the premiums for such insurance from any sums due under the Agreement;
- (ii) Order CONSULTANT to stop work under this Agreement or withhold any payment which becomes due to CONSULTANT hereunder, or both stop work and withhold any payment, until CONSULTANT demonstrates compliance with the requirements hereof;
- (iii) Terminate this Agreement.

Exercise of any of the above remedies, however, is an alternative to other remedies CITY may have and is not the exclusive remedy for CONSULTANT'S breach.

INDEMNIFICATION

Consultant agrees to protect, defend, indemnify and hold City, its City Council members, officers, employees, engineer, and consultants harmless from and against any and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments, arising in whole or in part, directly or indirectly, at any time from any injury to or death of persons or damage to property as a result of the willful or negligent act or omission of Consultant, or which results from Consultant's noncompliance with any Law respecting the condition, use, occupation or safety of the Project site, or any part thereof, or which arises from Consultant's failure to do anything required under this Contract or for doing anything which Consultant is required not to do under this Contract, or which arises from conduct for which any Law imposes strict liability on Consultant in the performance of or failure to perform the terms and conditions of this Contract, except as may arise from the sole negligence, active negligence, or willful misconduct of City or any of its City Council members, officers, employees.

This indemnification shall extend to any and all claims, demands, or liens made or filed by reason of any construction, renovation, or remodeling work performed by Consultant under this Contract at any time during the term of this Contract, or arising thereafter.

SEVERABILITY

Nothing contained in the Contract shall be construed so as to require the commission of any act contrary to law. Should a conflict arise between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract or act, the latter shall prevail and the provision of this Contract which is affected shall be curtailed and limited but only to the extent necessary to bring it within the requirements of the law. If such curtailment or

**EMERGENCY SERVICE CONTRACT
ADVANCED INTEGRATION & CONTROLS PROVIDE TECHNICAL SERVICES AND SUPPORT FOR
CONTROL SYSTEMS HARDWARE AND SOFTWARE**

limitation is not possible, the affected provision shall be of no force and effect. Except as aforesaid, such illegality shall not affect the validity of this Contract.

COMPLETE AGREEMENT

This Contract supersedes any and all agreements, either oral or in writing, between the Parties with respect to the subject matter herein. Each party to this Contract acknowledges that no representation by any party which is not embodied herein or any other agreement, statement, or promise not contained in this Contract shall be valid and binding.

INTERPRETATION

- (a) The parties hereto acknowledge and agree that each has been given the opportunity to independently review this Contract with legal counsel, and/or has the requisite experience and sophistication to understand, interpret and agree to the particular language of the provisions of the Contract.
- (b) In the event of a controversy or dispute between the parties concerning the provisions herein, this document shall be interpreted according to the provisions herein and no presumption shall arise concerning the draftsmanship of such provision.

APPLICABLE LAW

- (a) The parties hereto understand and agree that the terms of this Contract, and its Exhibits, have been negotiated and executed within the State of California and shall be governed by and construed under the laws of the State of California.
- (b) In the event of a dispute concerning the terms of this Contract, the parties hereto expressly agree that the venue for any legal action shall be with the appropriate court in the County of San Joaquin, State of California.

SIGNATURES

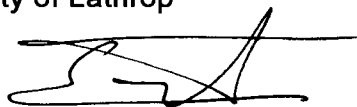
The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the CONSULTANT and the CITY. This agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

[SIGNATURES TO FOLLOW ON NEXT PAGE]

**EMERGENCY SERVICE CONTRACT
ADVANCED INTEGRATION & CONTROLS PROVIDE TECHNICAL SERVICES AND SUPPORT FOR
CONTROL SYSTEMS HARDWARE AND SOFTWARE**

Approved as to Form:

City of Lathrop



Salvador Navarrete
City Attorney

11-17-2025

Date

Recommended for Approval:

City of Lathrop

DocuSigned by:



11/17/2025

Tony Fernandes
Director of Information Services

Date

Approved by:

Resolution : _____

City of Lathrop



Stephen J. Salvatore
City Manager

11-20-25

Date

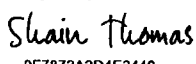
Consultant:

Advanced Integration & Controls
525 W. Alluvial Avenue
Fresno, CA 93711

Fed ID # 33-1475345

Business License # NLB-002002-2025

Signed by:



11/14/2025

Signature

Date

Shain Thomas

11/14/25

Print Name and Title

Signed by:



11/17/2025

Signature

Date

Tim Fassio

11/17/2025

Print Name and Title



Exhibit A

November 1, 2025

City of Lathrop
390 Towne Center Drive
City of Lathrop, Ca. 95330

Re: Proposal for SCADA System Support Services **November 1st, 2025 – June 30th, 2026**
RTUs & SCADA System Hardware & Software
AIC Quote # 56-2025-0136
Attn: Tony Fernandes, IT Director

Tony,

Advanced Integration & Controls (AIC) appreciates the opportunity to provide this proposal to the City of Lathrop for SCADA system support services for your RTUs and SCADA-related computer systems. This service contract shall provide monthly on-site visits to your City to provide support for your process control system. Normal services will be scheduled 2-4 weeks prior to required work. Additional work provided beyond the contract allowance will be provided at the contract's rates on a time-and-material basis. With this agreement, **when paid in full at the beginning of the service contract term**, the signee is entitled to listed contract rates, priority response, and emergency services that are available 24 hours a day, 7 days a week, 365 days a year. The City is guaranteed a 1-hour call back response time during normal business hours, and a 2-hour call back response time after normal working hours with a \$1000 penalty for missed responses. These rates and terms are identified under the "Standard Professional Services Rates for Time and Material Services" section as included herein.

Thank you for the opportunity to submit this proposal and please reach out if any questions arise.

Regards,

Advanced Integration & Controls

A handwritten signature in black ink, appearing to read 'Keith Webb', is written over a horizontal line.

Keith Webb
Senior industrial Control Systems Engineer



Employee Classification	Standard Hourly Rate	Overtime Hourly Rate	Double-Time Hourly Rate
Estimating Review	\$225.00	N/A	N/A
Project Management	\$225.00	N/A	N/A
I&C Engineering	\$225.00	\$350.00	\$550.00
Automation Engineering	\$250.00	\$375.00	\$600.00
Production (In-House)	\$200.00	\$275.00	\$450.00
Field Services	\$225.00	\$350.00	\$550.00

Terms & Conditions

1. Not to Exceed On-Call, and task-based service contracts are available (Not to Exceed amount to be determined by the Owner Agency)
2. **Hourly Rate Breakdown**
 - A. **Standard Rates: 6:00 AM to 6:00 PM**
 - B. **Overtime Rates: 6:00 PM to 6:00 AM**
 1. Must be pre-authorized by City and AIC Division Manager
 - C. **Double-Time Rates: Hours 12+**
 1. Must be pre-authorized by City and AIC Division Manager
3. **Saturday Working Hours**
 - A. **Billed at Double-Time Rates defined above.** A maximum of 8-hours of On-Site time is allowed on Saturday's – not Including drive time.
4. **Sunday & Holiday Working Hours**
 - A. **Billed at three-(3) times the Standard Rate defined above.** A maximum of 8-hours On-Site time is allowed on Sunday's & holidays – not Including drive time.
5. **Rental equipment, lodging and meals (travel expenses) are billed at cost plus 25%**
6. **On-Site and Overtime rate requests include a 4-hour minimum charge**
7. **Travel time**
 - A. \$150.00 per hour for employee travel to site
 - B. Milage rate is \$1.00 per mile



SCOPE OF WORK SUMMARY

ITEM #	DESCRIPTION OF SERVICES	COST
	<p>Specialized Preventative Maintenance & Support Services for PLC and SCADA System Hardware/Software:</p> <p>Perform scheduled monthly SCADA computer operating system and database updates as recommended by the manufacturer. All updates will be pre-tested on a virtualized replica of the Lathrop SCADA computer system located within a test environment at our AIC office headquarters. Critical security patches will be tested and applied to the City SCADA computers within 72 hours if no adverse effects of the patch are discovered.</p> <p>Once all updates are verified for compatibility in the test environment, updates will be remotely applied to the City system (one computer at a time) and tested for field compatibility before being deployed to the remaining City SCADA assets. If possible, full system backups shall be performed before and after each operating system and database update to ensure operational continuity. The first operating system and database updates will be performed on-site to minimize the chances of disruption to the control system. Subsequent monthly updates will be tested on our internal environment and installed and tested remotely on the City Servers.</p> <p>The following services will be prescheduled and performed quarterly, and include a full customer service report detailing our findings:</p> <ul style="list-style-type: none"> ▪ System Services for all SCADA Servers <ul style="list-style-type: none"> ✓ Cleaning and inspection of equipment covered by agreement ✓ Addition of any requested SCADA application updates (SCADA additions will be configured within our test environment at standard hourly rates and deployed and field tested during our quarterly visit) ✓ Tested and compatible Inductive Automation Ignition software updates shall be applied to the SCADA computers ✓ The SCADA dashboard at Master, Backup, and CTF will be evaluated, and any concerns will be identified ✓ Verify proper operation of software after updates 	



	<ul style="list-style-type: none"> ▪ SCADA System Diagnostics for all SCADA Servers <ul style="list-style-type: none"> ✓ Verification of RAM, CPU usage, Database growth rates ✓ Create comprehensive full operating system and application backups for the City and store a copy offsite at AIC ✓ Evaluation of available storage and error logs for all servers and drives will be performed and concerns will be documented ▪ PLC System Diagnostics for all sites <ul style="list-style-type: none"> ✓ Go online with each PLC, verify program offline. If programs match, perform offline save with same version number with date of verification. If programs do not match, save with new version number (incremented by 01) and include date that save was performed ✓ When online with each PLC, check battery status coil to verify battery condition. Replace battery if needed and document ✓ PLC locations with Maple alpha-numeric OIT will have configurations uploaded and saved with version number and upload date ✓ PLC locations with Magelis OIT will have configurations uploaded and saved with upload date and if local SD card is installed (we will note sites that do not have SD card in our report), site specific programs will be stored on the card ✓ All PLC and OIT backups will be saved to "current" folders on Corp. Yard SCADA and MCC Servers as well as securely stored at AIC corporate office ✓ All sites will be evaluated for any additional maintenance needs including uninterruptible power supplies, switches, cables and ancillary equipment ✓ A final written report will be generated using the City's Site maintenance software application that details work performed and recommendations for each site ▪ Quarterly Visits <p>AIC will perform three (3) quarterly visits based on the seven (7) month contract duration</p> 	
	TOTAL COST	\$ 154,800.00



ADDITIONAL SERVICES

Additional services, which are not included within the base Service Contract coverage (as defined above), are available and can be administered through this contract. Such services are offered at AIC's "standard rates" per the rate schedule included herein, and billed separately on a Time-& Material (T&M) basis. These services will be subject to the service provisions defined herein and scheduled accordingly. Service and support may include any of the following disciplines/items as needed to fulfill the additional service requests.

- **Field Service Technician** – to provide field support services as needed, including, but not limited to, instrumentation troubleshooting, calibrations, and loop testing, electrical control modifications control system troubleshooting, motor control (VFD's, RVSS's, Pump Control Panels, etc.), and communication system tuning and troubleshooting services. Additional services can include Infrared Thermal Imaging Scan(s) for verifying/identifying poor electrical connections, resistive "hot spots", and early detection of pending equipment failures.
- **PLC Programmer** – to provide PLC programming support services as needed, including, but not limited to, programming modifications, OIT programming services, troubleshooting, and training.
- **SCADA System Programmer** – to provide SCADA system support services as needed, including, but not limited to, software troubleshooting, network infrastructure, telemetry and communications, system tag additions/deletions/modifications, alarming, process database/historian, reporting, process graphics, programming additions/modifications, and overall system training.
- **EI&C Engineer** – to provide engineering and consulting services related to electrical controls and system engineering, including, but not limited to, electrical control system assessments, tracing, general engineering, control system operations engineering, as-built drawings, system documentation, and training.
- **Materials, travel, expenses, and/or third-party services** will be billed separately. Any material required shall be approved by owner/customer prior to procurement.



TERMS & CONDITIONS

- 1) This proposal is valid for 180 days from the date of this quotation.
- 2) This proposal excludes payment and performance bonds.
 - a) If required, add **0.5%** to the price quoted above.
- 3) This proposal is based on mutually agreeable contract terms and conditions, to be negotiated and executed prior to any work being performed.
- 4) This proposal is based on a standard 12-hour workday and a 60-hour work week – no on-site overtime, weekend, or holiday work has been included or allowed herein.
 - a) Additional mobilizations requested will be invoiced on a time & material basis.
- 5) **Delivery of Equipment: N/A**
 - a) Written submittal approval is required for a Notice to Proceed (NTP) with the purchase of products.
 - b) Due to current manufacturer lead time constraints affecting our industry, anticipated delivery durations may be subject to change and updates will be provided to the customer as timeframe constraints arise.
- 6) AIC's proposal includes FOB to job site full freight.
- 7) AIC includes a 12-month warranty from the date of equipment installation or 18 months from the date of shipment (unless an extended warranty is specified and defined in the above proposal).
 - a) Includes coverage for defects or failures of materials provided by AIC.
- 8) Schedule of work is subject to an approved and mutually agreeable timeline between the Owner, General Contractor, Electrical Contractor, and AIC.
- 9) Interest will be applied on all past due invoices.
- 10) Final retention to be paid within 10 days of project completion.
- 11) Contact of services is from November 1st 2025 through June 30th 2026.
- 12) Terms are NET 30 days on approved credit accounts.

CLARIFICATIONS & EXCLUSIONS

- 1) This proposal is based on the following clarifications and exclusions.
 - a) Based on the seven (7) month contract duration, AIC will perform three (3) quarterly visits.
 - b) **Typical equipment & services exclusions** (unless specifically included in the above scope):
 - i) Local control stations.
 - ii) Junction and pull boxes.
 - iii) Disconnect switches.
 - iv) Security equipment (cameras, DVRs, card readers, etc.).
 - v) Conduit, field wire, and tubing.
 - vi) Basic trade materials (screws, bolts, brackets, stanchions, sunshields, anchor bolts, etc.).
 - vii) Fiber optic patch panels, fiber optic cable, fiber optic cable testing and terminations.



Exhibit B

November 1st, 2025

City of Lathrop
390 Towne Center Drive
City of Lathrop, Ca. 95330

Re: Proposal for Initial System Assessment
Allen-Bradley and Typical Site Assessment
AIC Quote # 56-2025-0135
Attn: Tony Fernandes, IT Director

Tony,

Advanced Integration & Controls (AIC) appreciates the opportunity to provide this proposal to the City of Lathrop for an assessment of your existing Allen-Bradley treatment plant PLCs and typical sites that comprise your system. The typical site assessment would include the existing SCADA computer and networking infrastructure and a mutually agreed upon Well site, Booster Pump Station, Lift Station, and Turnout. Additional services for an assessment of all locations can be proposed after the initial assessment is complete. Field assessment services will be scheduled 4-6 weeks prior to activity to allow your team time to coordinate access to the remote locations. Our intent is to familiarize our organization with your infrastructure to be better prepared to assist you with future needs and emergencies. The deliverable of this initial assessment will be accurate site documentation and recommendations for the locations assessed.

Thank you for the opportunity to submit this proposal and please reach out if any questions arise.

Regards,
Advanced Integration & Controls

A handwritten signature in black ink, appearing to read 'Keith Webb', is written over a light blue horizontal line.

Keith Webb
Senior industrial Control Systems Engineer



SCOPE OF WORK SUMMARY

ITEM #	DESCRIPTION OF SERVICES	COST
	<p>System Assessment of existing SCADA computer infrastructure, Allen-Bradley treatment plant PLCs and a typical Well, Booster Pump Station, Lift Station, and Turnout location:</p> <p>AIC's team consisting of experienced engineers and subject matter experts (SMEs), will work collaboratively with your staff to collect information and documentation, discuss and analyze the information collected, and then present the information in the form of a technical memorandum and follow-up presentation. Key deliverables shall consist of the following at a minimum:</p> <ul style="list-style-type: none"> ✓ SCADA & PCS block diagram ✓ Automation asset inventory spreadsheet for sites assessed ✓ List of IP networks, VLANs, and IP devices present in your system (for sites assessed) ✓ Technical memorandum report ✓ Presentation to key stakeholders <p>The information collected and the analysis performed will help AIC develop and properly document an up-to-date baseline of your assessed SCADA and process control system configuration and provide recommendations for improvement.</p> <p>System Assessment Services</p> <ol style="list-style-type: none"> 1) AIC will host a kickoff meeting to discuss our general approach to the assessment, including an overview of the overall scope of the assessment. This meeting will be utilized to establish the project framework with the City, define the boundaries and remote sites for the actual scope of work to be performed, align expectations for AIC and the City, identify the key stakeholders and staff that should directly participate in this assessment, define the project timeline and schedule, as well as identify any special logistical issues that should be considered as execution moves forward. 2) AIC will work closely with City staff to identify and assemble the available system information and documentation that collectively defines the SCADA and PCS infrastructure. This 	



	<p>task is to be considered a preliminary step in the overall assessment process. The initial focus will be on the following:</p> <ul style="list-style-type: none"> • Types of systems, specific facilities, and processes involved • Types of PLCs and OITs utilized in the system • Types of communication interfaces utilized by the PLCs, OITs, and SCADA computers • Current network component configurations <p>3) AIC will conduct workshops and interviews of key staff as required to aide in the collection of information related to SCADA and the process control system overall. Some of the topics to be covered include existing issues and pain points, hardware/software preferences, future expansion, and budget considerations.</p> <p>4) Initial field investigations and data gathering to develop an asset inventory of all known Process Control System (PCS) network and communication assets. Perform a physical inspection of all observed network communication components, including digital photographs of devices and labels, to assist in the development of documentation. If available, leverage the discovery and mapping capabilities of the City's Network Management System (NMS).</p> <p>5) AIC will carefully document the assessed base system architecture including all connections into and out of the process control system.</p> <p>6) AIC will perform a comprehensive analysis of all information and documentation gathered prior to the formal compilation of the technical memorandum.</p> <p>7) AIC will host a final presentation of deliverables to the City that includes the System Block Diagram, Automation Asset List, and Technical Memorandum detailing conditions observed and recommendations for improvements</p>	
	TOTAL COST	\$ 38,600.00



TERMS & CONDITIONS

- 1) This proposal is valid for 180 days from the date of this quotation.
- 2) This proposal excludes payment and performance bonds.
 - a) If required, add **0.5%** to the price quoted above.
- 3) This proposal is based on mutually agreeable contract terms and conditions, to be negotiated and executed prior to any work being performed.
- 4) This proposal is based on a standard 12-hour workday and a 60-hour work week – no on-site overtime, weekend, or holiday work has been included or allowed herein.
 - a) Additional mobilizations requested will be invoiced on a time & material basis.
- 5) **Delivery of Equipment: N/A**
 - a) Written submittal approval is required for a Notice to Proceed (NTP) with the purchase of products.
 - b) Due to current manufacturer lead time constraints affecting our industry, anticipated delivery durations may be subject to change and updates will be provided to the customer as timeframe constraints arise.
- 6) AIC's proposal includes FOB to job site full freight.
- 7) AIC includes a 12-month warranty from the date of equipment installation or 18 months from the date of shipment (unless an extended warranty is specified and defined in the above proposal).
 - a) Includes coverage for defects or failures of materials provided by AIC.
- 8) Schedule of work is subject to an approved and mutually agreeable timeline between the Owner, General Contractor, Electrical Contractor, and AIC.
- 9) Interest will be applied on all past due invoices.
- 10) Final retention to be paid within 10 days of project completion.
- 11) Terms are NET 30 days on approved credit accounts.

CLARIFICATIONS & EXCLUSIONS

- 1) This proposal is based on the following clarifications and exclusions.
 - a) **Typical equipment & services exclusions** (unless specifically included in the above scope):
 - i) Local control stations.
 - ii) Junction and pull boxes.
 - iii) Disconnect switches.
 - iv) Security equipment (cameras, DVRs, card readers, etc.).
 - v) Conduit, field wire, and tubing.
 - vi) Basic trade materials (screws, bolts, brackets, stanchions, sunshields, anchor bolts, etc.).
 - vii) Fiber optic patch panels, fiber optic cable, fiber optic cable testing and terminations.
 - viii) 3rd party testing, harmonic testing / analysis, protective device coordination studies, short circuit studies, and Arc-Flash Hazard analysis / training.



- ix) Electrical interconnection wiring diagrams, ISA loop diagrams and signal loop diagrams for equipment not provided by AIC or when specifications do not define the requirements for these specific professional services.
- x) Approved submittals are considered to meet the needs of the project specifics based on the Engineer of Record's (EOC) review, comments, and approval.
 - (a) Requests for modifications to the professional services or equipment supplied after submittal approval will require a change order before any modifications occur, regardless of potential schedule constraints.
- xi) Equipment & services not specifically defined in the above scope of work.
- xii) Noise mitigation equipment and/or noise barriers.
- xiii) Ventilation equipment and team watch resources for work required in confined spaces.
- xiv) Removal, replacement and/or relocation of existing utilities.
- xv) Seismic anchoring calculations for any stanchion mounted equipment.
- xvi) Advanced Integration & Controls (AIC) shall not be liable for, and no claim(s) shall be made by Client against Advanced Integration & Controls (AIC) and/or its insurance carrier(s) for, any damages, losses, or disruptions resulting from cybersecurity attacks, including but not limited to hacking, malware, or denial of service attacks. This exclusion applies to any direct costs including but not limited to incident response, remediation, and legal expenses, and any consequential and/or indirect damages including but not limited to disruption, lost productivity, reputational damage, and any other legal liabilities. This exclusion applies to both new and pre-existing cybersecurity vulnerabilities or compromises in the Client's systems.

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM: APPROVE CHANGE ORDER NO. 36 FOR LANDSCAPE MAINTENANCE WITH DAVID SILVA, DBA SILVA LANDSCAPE, TO ADD QUEIROLO PARK, AND APPROVE THE ASSOCIATED BUDGET AMENDMENT

RECOMMENDATION: Adopt Resolution to Approve Contract Change Order No. 36 with David Silva, dba Silva Landscape, to Add Queirolo Park, and Approve the Associated Budget Amendment

SUMMARY:

On November 10, 2025, City Council accepted public landscaping and park improvements in Tract 4151 from D.R. Horton Bay, Inc., including the neighborhood park (Queirolo Park) and associated public landscaping. To ensure ongoing professional maintenance of these City assets, staff recommends approval of Contract Change Order No. 36 (included as Attachment "C") with David Silva, dba Silva Landscape, to include these areas in the scope of the City's existing landscape maintenance program. A Vicinity Map is included as Attachment "B".

The not-to-exceed amount of this change order is \$31,800 annually.

BACKGROUND:

On November 10, 2025, City Council accepted the public landscaping and park improvements in Tract 4151 from D.R. Horton Bay, Inc., including the neighborhood park (Queirolo Park) and related landscape improvements. These improvements require ongoing professional landscape maintenance.

David Silva, dba Silva Landscape, maintains a master agreement with the City for landscape maintenance services, dated September 1, 2017. Contract Change Order No. 36, included as Attachment "C", adds the public landscaping and park areas in Tract 4151 to the scope of this master agreement for continued maintenance services. A Vicinity Map showing the maintenance area is included as Attachment "B".

The City's Service Maintenance CFD 2024-01 has been established to help fund City maintenance and operating costs. The initial budget for CFD 2024-01 was planned for gradual development; however, with the rate of development, staff is requesting a budget amendment to cover the cost of maintenance for the improvements proposed for ongoing maintenance.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**APPROVE CHANGE ORDER NO. 36 FOR LANDSCAPE MAINTENANCE WITH DAVID SILVA, DBA SILVA LANDSCAPE, TO ADD QUEIROLO PARK, AND APPROVE THE ASSOCIATED BUDGET AMENDMENT****REASON FOR RECOMMENDATION:**

Staff recommends City Council approve Contract Change Order No. 36 to incorporate the newly accepted landscape and park areas from Tract 4151 into the City's ongoing landscape maintenance program under the existing master agreement with David Silva, dba Silva Landscape. This action will ensure continuity of professional landscape care for the City's accepted public improvements in Tract 4151 and integrate them into the existing maintenance contract.

FISCAL IMPACT:

Contract Change Order No. 36 (Attachment "C") for landscape maintenance with David Silva, dba Silva Landscape, is not to exceed \$31,800 annually. Staff also requests a 5% contingency for general miscellaneous purchases needed for maintenance (e.g., minor irrigation parts, small repairs, and incidental supplies) estimated at \$1,590, for a total requested maintenance/contingency amount of \$33,390.

Funding is proposed from the Service Maintenance CFD 2024-01. Staff requests approval of the following budget amendments for Trees & Landscaping to support this added maintenance scope for Tract 4151.

Fiscal Year 2025-2026 (6 months)Increase Appropriation (Trees & Landscaping)

1010-50-80-420-32-00	\$12,232.50
2581-50-55-420-32-00	\$4,462.50

Fiscal Year 2026-2027Increase Appropriation (Trees & Landscaping)

1010-50-80-420-32-00	\$24,465
2581-50-55-420-32-00	\$8,925

Staff is requesting City Council adopt the Resolution to approve Contract Change Order No. 36 with David Silva, dba Silva Landscape, for maintenance services, and approve the associated budget amendment.

ATTACHMENTS:

- A. Adopt Resolution to Approve Contract Change Order No. 36 with David Silva, dba Silva Landscape and Associated Budget Amendment
- B. Vicinity Map
- C. Contract Change Order No. 36 with David Silva dba Silva Landscape

CITY MANAGER'S REPORT

PAGE 3

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

APPROVE CHANGE ORDER NO. 36 FOR LANDSCAPE MAINTENANCE WITH DAVID SILVA, DBA SILVA LANDSCAPE, TO ADD QUEIROLO PARK, AND APPROVE THE ASSOCIATED BUDGET AMENDMENT

APPROVALS:



Bellal Nabizadah
Assistant Engineer

1/7/26

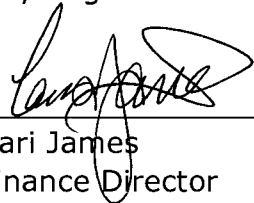
Date



Brad Taylor
City Engineer

1/7/2026

Date



Cari James
Finance Director

1/8/2026

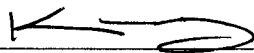
Date



Thomas Hedegard
Deputy City Manager

1/8/2026

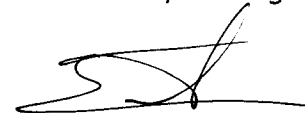
Date



Michael King
Assistant City Manager

1-8-2026

Date



Salvador Navarrete
City Attorney

1-7-2026

Date



Stephen J. Salvatore
City Manager

1-8-26

Date

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO APPROVE CONTRACT CHANGE ORDER NO. 36 WITH DAVID SILVA, DBA SILVA LANDSCAPE, TO ADD QUEIROLO PARK, AND APPROVE THE ASSOCIATED BUDGET AMENDMENT

WHEREAS, on November 10, 2025, City Council accepted the public landscaping and park improvements in Tract 4151 from D.R. Horton Bay, Inc., including the neighborhood park (Queirolo Park) and related landscape improvements. These improvements require ongoing professional landscape maintenance; and

WHEREAS, David Silva, dba Silva Landscape, maintains a master agreement with the City for landscape maintenance services, dated September 1, 2017; and

WHEREAS, Contract Change Order No. 36, included as Attachment "C" to the City Manager's Report that accompanied this Resolution, adds the public landscaping and park areas in Tract 4151 to the scope of this master agreement for continued maintenance services. Vicinity Maps showing the maintenance areas are included as Attachment "B" to the City Manager's Report that accompanied this Resolution; and

WHEREAS, the City's Service Maintenance CFD 2024-01 has been established to help fund City maintenance and operating costs. The initial budget for CFD 2024-01 was planned for gradual development; however, with the rate of development, staff is requesting a budget amendment to cover the cost of maintenance for the improvements proposed for ongoing maintenance; and

WHEREAS, it is necessary and appropriate to incorporate the newly accepted landscape and park areas from Tract 4151 into the City's ongoing landscape maintenance program under the existing master agreement with David Silva, dba Silva Landscape; and

WHEREAS, this action will ensure continuity of professional landscape care for the City's accepted public improvements in Tract 4151 and integrate them into the existing maintenance contract; and

WHEREAS, Contract Change Order No. 36 (Attachment "C") for landscape maintenance with David Silva, dba Silva Landscape, is not to exceed \$31,800 annually. Staff also requests a 5% contingency for general miscellaneous purchases needed for maintenance (e.g., minor irrigation parts, small repairs, and incidental supplies) estimated at \$1,590, for a total requested maintenance/contingency amount of \$33,390; and

WHEREAS, staff requests approval of the following budget amendments for Trees & Landscaping to support this added maintenance scope for Tract 4151:

Fiscal Year 2025-2026 (6 months)

Increase Appropriation (Trees & Landscaping)

1010-50-80-420-32-00	\$12,232.50
2581-50-55-420-32-00	\$4,462.50

Fiscal Year 2026-2027

Increase Appropriation (Trees & Landscaping)

1010-50-80-420-32-00	\$24,465
2581-50-55-420-32-00	\$8,925

; and

WHEREAS, Staff is requesting City Council adopt the Resolution to approve Contract Change Order No. 36 with David Silva, dba Silva Landscape, for maintenance services, and approve the associated budget amendment.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does approve Contract Change Order No. 36 with David Silva, dba Silva Landscape to add new landscape to maintenance services, included as Attachment "C", and the associated budget amendment as detailed above.

PASSED AND ADOPTED by the City Council of the City of Lathrop this 12th day of January 2026 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Paul Akinjo, Mayor

ATTEST:

APPROVED AS TO FORM:

Teresa Vargas
City Clerk



Salvador Navarrete
City Attorney

CHANGE ORDER NO. 36**Monthly Fee****Landscape Maintenance for Queirolo Park****City of Lathrop**

CONTRACT CHANGE ORDER NO. 36
MONTHLY FEE – Landscape Maintenance for Queirolo Park

Contractor: David Silva DBA Silva Landscape**Address:** PO Box 607
Patterson, CA 95363**Change Order Date** January 12, 2026**Contract Execution Date:** September 1, 2017**Notice to Proceed Date:** September 1, 2017

This contract change order augments or changes the following:

1) ADDITIONS TO CONTRACT: LANDSCAPING SERVICES COMMENCED IN JANUARY 2025

Pursuant to the provisions of the Contract Specifications and proposal attached as **Exhibit A**, you are hereby directed to make the herein described changes to the plans and specifications, and scope of work contracted for within the terms of the agreement between the **City of Lathrop** and **David Silva DBA Silva Landscape** dated **September 1, 2017**.

I. CHANGES IN THE SPECIFICATIONS

A. None

II. ADDITION(S) TO CONTRACT

Monthly Fee – Landscape Maintenance for Queirolo Park	\$2,650/mo.
MONTHLY FEE COST FROM CHANGE ORDER NO. 36 (MONTHLY FEE)	\$2,650/mo.

ORIGINAL CONTRACT AMOUNT (MONTHLY FEE)	\$57,214.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 1 (MONTHLY FEE)	\$13,900.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 5 (MONTHLY FEE)	\$985.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 8 (MONTHLY FEE)	\$1,850.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 11 (MONTHLY FEE)	\$425.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 14 (MONTHLY FEE)	\$3,500.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 15 (MONTHLY FEE)	\$8,500.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 23 (MONTHLY FEE)	\$465.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 25 (MONTHLY FEE)	\$250.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 26 (MONTHLY FEE)	\$825.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 27 (MONTHLY FEE)	\$625.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 28 (MONTHLY FEE)	\$675.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 29 (MONTHLY FEE)	\$450.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 30 (MONTHLY FEE)	\$3,725.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 31 (MONTHLY FEE)	\$9,500.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 32 (MONTHLY FEE)	\$1,200.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 33 (MONTHLY FEE)	\$4,450.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 34 (MONTHLY FEE)	\$950.00

CHANGE ORDER NO. 36**Monthly Fee****Landscape Maintenance for Queirolo Park****City of Lathrop**

TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 35 (MONTHLY FEE)	\$650.00
TOTAL REVISED MONTHLY CONTRACT AMOUNT	\$112,789.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 2 (ONE TIME FEE)	\$14,989.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 3 (ONE TIME FEE)	\$22,800.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 4 (ONE TIME FEE)	\$3,200.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 6 (ONE TIME FEE)	\$11,400.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 7 (ONE TIME FEE)	\$1,780.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 9 (ONE TIME FEE)	\$2,200.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 10 (ONE TIME FEE)	\$950.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 12 (ONE TIME FEE)	\$3,800.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 13 (ONE TIME FEE)	\$925.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 16 (ONE TIME FEE)	\$1,200.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 17 (ONE TIME FEE)	\$2,400.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 18 (ONE TIME FEE)	\$1,650.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 19 (ONE TIME FEE)	\$2,400.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 20 (ONE TIME FEE)	\$2,200.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 21 (ONE TIME FEE)	\$1,300.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 22 (ONE TIME FEE)	\$1,200.00
TOTAL ADDITIONAL COST FROM CHANGE ORDER NO. 24 (ONE TIME FEE)	\$4,500.00
TOTAL ONE-TIME ADDITIONS TO CONTRACT AMOUNT	\$78,900.00

*(END OF CHANGES)***DESCRIPTION OF WORK**

See additions to contract. The contractor provided all labor, material, equipment and performed all incidental tasks as necessary to complete the change order.

TIME OF COMPLETION

To run throughout the duration of the contract.

RELEASE AND WAIVER

Acceptance of this Contract Change Order constitutes a full and final resolution of all pending disputes between City and Contractor regarding scope of work and payment for work. Contractor accepts this Contract Change Order as full payment for all work performed to date and hereafter to be performed, up to and including Contract Change Order No. 36. Contractor releases and discharges City from any and all claims, demands, damages, actions and causes of actions and causes of action for injuries, damages or losses, whether known or unknown, foreseen or unforeseen, arising directly from Contractor's work on this contract. Contractor expressly waives the provisions of California Civil Code, Section 1542, which reads as follows:

A general release does not extend to claims which the Creditor does not know or suspect to exist in his favor at time of executing the release, which if known by him must have materially affected his settlement with the debtor.

(END OF SECTION)


CHANGE ORDER NO. 36

Monthly Fee

Landscape Maintenance for Queirolo Park

City of Lathrop

Approved As
To Form:



Salvador Navarrete
City Attorney
City of Lathrop

1-7-2026

Date

Recommended
By:

Michael King
Assistant City Manager
City of Lathrop

Date

Approved By:

Stephen J. Salvatore
City Manager
City of Lathrop

Date

Accepted By
Contractor:

Signature

Date

Print Name and Title

Signature

Date

Print Name and Title



Silva Landscape
PO Box 607
Patterson, CA 95363
+19254133192
david.silvalandscape@gmail.com

ADDRESS

City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

ESTIMATE # 4108

DATE 10/03/2025

AREA

Queirolo Park

AREA	RATE	AMOUNT
Queirolo Park -		2,650.00
Monthly Maintenance price to follow city spec - Monthly		

Approved by _____

TOTAL

\$2,650.00

Accepted By

Accepted Date

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM: **APPROVE A CONSTRUCTION CONTRACT WITH UNITED PAVEMENT MAINTENANCE, INC. FOR SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20 AND APPROVE BUDGET AMEDMENT**

RECOMMENDATION: **Adopt Resolution to Approve a Construction Contract with United Pavement Maintenance, Inc. for Spartan Way Traffic Safety Enhancements, CIP PS 26-20 and Approve Budget Amendment**

SUMMARY:

On October 13, 2025, City Council approved the creation of Spartan Way Traffic Safety Enhancements, Capital Improvement Project (CIP) PS 26-20 to improve bicycle and pedestrian safety along Spartan Way near Lathrop High School.

The plans and specifications for the installation of a raised crosswalk, bike lane physical barrier and revised traffic striping on Spartan Way (Project) were completed by staff and advertised for bid on the 22nd and 28th of November 2025 pursuant to Bidding Procedures in California Public Contract Code (PCC) 20160 and Lathrop Municipal Code (LMC) 2.36.060. The City Clerk received and opened four (4) bids on December 15, 2025, all determined to be responsive and from responsible bidders. The bid results are summarized in Table 1 below:

***Table 1: Summary of Bid Results
Spartan Way Traffic Safety Enhancements, CIP PS 26-20***

Contractor	Total Bid
United Pavement Maintenance, Inc.	\$230,804
FBD Vanguard Construction, Inc.	\$275,608
Platinum General Engineering LLC	\$297,126
Dirt Dynasty, Inc.	\$352,584

Based on the review and evaluation of the bids, the lowest responsible bidder for the Project was determined to be United Pavement Maintenance, Inc. (United Pavement Maintenance) with a bid of \$230,804.

Staff request City Council approve a construction contract with United Pavement Maintenance for the construction of the Project in the amount of \$230,804. Staff request City Council authorize a 20% construction contingency of \$46,161 and authorize staff to spend up to the amount of the contingency as necessary to achieve the goals of the Project, for a total Project construction cost not to exceed \$276,965.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

APPROVE A CONSTRUCTION CONTRACT WITH UNITED PAVEMENT MAINTENANCE, INC. FOR SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20 AND APPROVE BUDGET AMENDMENT

To provide sufficient funding for the Project construction, staff also request City Council approve a budget amendment transferring \$200,000 from the Measure C fund (1060) to the CIP Project fund (3310) as detailed in the Fiscal Impact section of this report.

BACKGROUND:

Spartan Way Traffic Safety Enhancements Project CIP PS 26-20, was created to improve bicycle and pedestrian safety along Spartan Way near Lathrop High School. The Project's improvements include a raised crosswalk with pedestrian-activated Rapid Rectangular Flashing Beacons (RRFB) crossing Spartan Way at the skate park entrance and a concrete barrier and associated restriping and signage to accommodate a bicycle lane and narrow the vehicular lanes. A separate contract for the installation of a steel fence within the Spartan Way median was approved by City Council under CIP PS 26-20 on November 10, 2025.

REASON FOR RECOMMENDATION:

The proposed improvements will provide a conveniently located crosswalk to protect pedestrians crossing Spartan Way at Lathrop High School. The narrowed vehicle lanes, Class 2 bicycle lane and vehicle barrier will increase safety for bicyclists as well as reduce vehicle speed. The bicycle lane will also provide a more suitable venue than the sidewalk for those utilizing motorized transportation devices.

FISCAL IMPACT:

The proposed construction contract with United Pavement Maintenance is for \$230,804. A 20% construction contingency is requested in the amount of \$46,161 for a total construction cost not to exceed \$276,965.

Staff also request City Council approve a budget amendment to transfer \$200,000 from the Measure C fund (1060) to the CIP Project fund (3310) as detailed below, contingent upon approval by the Measure C Oversight Committee:

<u>Increase Transfer Out</u>		
1060-9900-990-9010		\$200,000
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 26-20	\$200,000
<u>Increase Expenditures</u>		
3310-8000-420-12-00	PS 26-20	\$200,000

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

**APPROVE A CONSTRUCTION CONTRACT WITH UNITED PAVEMENT
MAINTENANCE, INC. FOR SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS,
CIP PS 26-20 AND APPROVE BUDGET AMENDMENT**

ATTACHMENTS:

- A. Resolution to Approve a Construction Contract with United Pavement Maintenance, Inc. for Spartan Way Traffic Safety Enhancements, CIP PS 26-20 and Approve Budget Amendment
- B. Construction Contract with United Pavement Maintenance, Inc. for Spartan Way Traffic Safety Enhancements, CIP PS 26-20

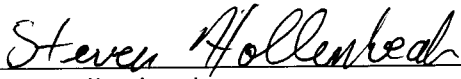
CITY MANAGER'S REPORT

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JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

**APPROVE A CONSTRUCTION CONTRACT WITH UNITED PAVEMENT
MAINTENANCE, INC. FOR SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS,
CIP PS 26-20 AND APPROVE BUDGET AMENDMENT**

APPROVALS:




Steven Hollenbeak
Assistant Engineer

12.17.25
Date



Brad Taylor
City Engineer

12/17/2025
Date

 FOR C.D.

Cari James
Director of Finance

12/18/2025
Date



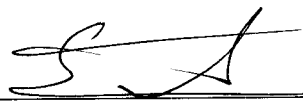
Thomas Hedegard
Deputy City Manager

12/18/2025
Date




Michael King
Assistant City Manager

12.22.2025
Date



Salvador Navarrete
City Attorney

12.17.2025
Date



Stephen J. Salvatore
City Manager

1.7.26
Date

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO APPROVE A CONSTRUCTION CONTRACT WITH UNITED PAVEMENT MAINTENANCE, INC. FOR SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20 AND APPROVE BUDGET AMENDMENT

WHEREAS, on October 13, 2025, City Council approved the creation of Spartan Way Traffic Safety Enhancements, Capital Improvement Project (CIP) PS 26-20 (Project); and

WHEREAS, on November 22, 2025 and November 28, 2025, the City solicited bids for the Project pursuant to bidding procedures in California Public Contract Code (PCC) 20160 and Lathrop Municipal Code (LMC) 2.36.060 for the construction of the Project; and

WHEREAS, a total of four (4) bids were received and opened by the City Clerk on December 15, 2025; and

WHEREAS, upon review and evaluation of the bids, the responsible bidder with the lowest responsive bid for the Project was determined to be United Pavement Maintenance, Inc. (United Pavement Maintenance) with a bid of \$230,804; and

WHEREAS, staff request City Council approve a construction contract with United Pavement Maintenance in the amount of \$230,804 for the construction of the Project; and

WHEREAS, staff request that City Council approve a 20% construction contingency in the amount of \$46,161 and authorize staff to spend up to the amount of the contingency as necessary to achieve the goals of the Project for a total Project construction cost not to exceed \$276,965; and

WHEREAS, to fund the Project, staff request City Council approve a budget amendment in the amount of \$200,000 from the Measure C fund (1060) to the CIP Project fund (3310) as detailed below, contingent upon approval by the Measure C Oversight Committee:

<u>Increase Transfer Out</u>		
1060-9900-990-9010		\$200,000
<u>Increase Transfer In</u>		
3310-9900-393-0000	PS 26-20	\$200,000
<u>Increase Expenditures</u>		
3310-8000-420-12-00	PS 26-20	\$200,000

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop hereby approves a construction contract for \$230,804 with United Pavement Maintenance for the construction of Spartan Way Traffic Safety Enhancements, CIP PS 26-20; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby approve a 20% construction contingency of \$46,161 for a total cost not to exceed \$276,965 for the construction of the Project and authorizes staff to spend up to the amount of the contingency as necessary to accomplish the goals of the Project; and

BE IT FURTHER RESOLVED, that the City Council of the City of Lathrop does hereby approve the requested budget amendment as detailed above.

The foregoing resolution was passed and adopted this 12th day of January 2026 by the following vote of the City Council, to wit:

AYES:

NOES:

ABSTAIN:


ABSENT:

Paul Akinjo, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

CONSTRUCTION CONTRACT

This Contract, dated January 12, 2026 is entered into by and between the **City of Lathrop** (“City”), a municipal corporation of the State of California (City), and **United Pavement Maintenance, Inc.** (Contractor), whose Taxpayer Identification Number is _____.

For and in consideration of the following covenants, terms and conditions, City and Contractor (the parties) agree:

1. Term. This Contract shall commence on, and be binding on the parties on, the date of execution of this Contract, and shall expire on the date of recordation of the Notice of Substantial Completion, or, if no such notice is required to be filed, on the date that final payment is made hereunder, subject to the earlier termination of this Contract.
2. General Scope of Project and Work. Construction Documents for **SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20** (Project). Contractor shall furnish labor, services, materials and equipment in connection with the construction of the Project and complete the Work in accordance with the covenants, terms and conditions of this Contract to the satisfaction of City.

The work to be performed under this contract includes all work contained in the Construction Documents, as detailed in Paragraph 3 below, including, but not limited to a 3” grind of asphalt paving, minor demolition of concrete curb and landscape, installation of 2” conduit, construction of two concrete raised crosswalks with #4 reinforcement, installation of four City furnished 14’ type 1-B poles, and Safe-T Lane Interlocking Concrete Bike Lane Dividers with long and tapered end units at Site 1, installation of striping, pavement markings, ADA ramps, and landings at both Project Sites; and any task necessary to accomplish the aforementioned tasks.

The work shall be **completed within 32 Working days** following issuance of Notice to Proceed and as defined herein.

No road closures for this project will be authorized outside of the following dates: March 14 – March 22, 2026.

The Work shall be complete, and all appurtenant work, materials, and services not expressly shown or called for in the Construction Documents which may be necessary for the complete and proper construction of the Work in good faith shall be performed, furnished, and installed by the Contractor as though originally specified or shown. The Contractor will be compensated for actual work performed in accordance with the unit prices and provisions contained in these Construction Documents.

Base Bid Total: \$ 230,804 - Two Hundred Thirty Thousand Eight Hundred and Four Dollars

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

3. Construction Documents. This Contract shall include the Construction Documents which are on file with the Public Works Department and are hereby incorporated by reference (i.e. Project Specifications, Project Plans, addenda, performance bond, labor and materials bond, certification of insurance, workers compensation certification, and Warranty Bond Acknowledgement) and the Bid Documents submitted by **United Pavement Maintenance, Inc.** on December 15, 2025. For the purposes of construing, interpreting and resolving inconsistencies between the provisions of this Contract, these documents and the provisions thereof are set forth in the order of precedence described in Article 3 of the General Conditions.
4. Compensation. In consideration of Contractor's performance of its obligations hereunder, City shall pay to Contractor the amount set forth in Contractor's Bid in accordance with the provisions of this Contract and upon the receipt of written invoices and all necessary supporting documentation within the time set forth in the Construction Documents. Contractor hereby shall not be permitted to invoice the City nor accept compensation for work not yet complete. In no event, shall the Contractor be entitled to payment for work not included in the approved scope of work, a written task order, or change order signed by the City's Public Works Director prior to commencement of any work.
5. Insurance. On or before the Date of Execution, Contractor shall obtain and maintain the policies of insurance coverage described in Section 5.2 of the General Conditions on terms and conditions and in amounts as may be required by the City. City shall not be obligated to take out insurance on Contractor's personal property or the personal property of any person performing labor or services or supplying materials or equipment under the Project. Contractor shall furnish City with the certificates of insurance and with original endorsements effecting coverage required under this Contract on or before the Date of Execution. The certificates and endorsements for each insurance policy shall be signed by a person who is authorized by that insurer to bind coverage in its behalf. Proof of insurance shall be mailed to the Project Manager to the address set forth in Section 15 of this Contract.
6. Indemnification. Contractor agrees to protect, defend, indemnify and hold City, its City Council members, officers, employees, engineer, and construction manager harmless from and against any and all claims, demands, liabilities, losses, damages, costs, expenses, liens, penalties, suits, or judgments, arising in whole or in part, directly or indirectly, at any time from any injury to or death of persons or damage to property as a result of the willful or negligent act or omission of Contractor, or which results from Contractor's noncompliance with any Law respecting the condition, use, occupation or safety of the Project site, or any part thereof, or which arises from Contractor's failure to do anything required under this Contract or for doing anything which Contractor is required not to do under this Contract, or which arises from conduct for which any Law imposes strict liability on Contractor in the performance of or failure to perform the terms and conditions of this Contract, except as may arise from the sole willful or negligent act or omission of City or any of its City Council members, officers, employees.

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

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This indemnification shall extend to any and all claims, demands, or liens made or filed by reason of any construction, renovation, or remodeling work performed by Contractor under this Contract at any time during the term of this Contract, or arising thereafter.

7. Assumption of Risk. Contractor agrees to voluntarily assume any and all risk of loss, damage, or injury to the property of Contractor which may occur in, on, or about the Project site at any time and in any manner, excepting such loss, injury, or damage as may be caused by the sole willful or negligent act or omission of City or any of its City Council members, officers, or employees.
8. Waiver. The acceptance of any payment or performance, or any part thereof, shall not operate as a waiver by City of its rights under this Contract. A waiver by City of any breach of any part or provision of this Contract by Contractor shall not operate as a waiver or continuing waiver of any subsequent breach of the same or any other provision, nor shall any custom or practice which may arise between the parties in the administration of any part or provision of this Contract be construed to waive or to lessen the right of City to insist upon the performance of Contractor in strict compliance with the covenants, terms and conditions of this Contract.
9. Compliance with Laws. Contractor shall comply with all Laws now in force or which may hereafter be in force pertaining to the Project and Work and this Contract, with the requirement of any bond or fire underwriters or other similar body now or hereafter constituted, with any discretionary license or permit issued pursuant to any Law of any public agency or official as well as with any provision of all recorded documents affecting the Project site, insofar as any are required by reason of the use or occupancy of the Project site, and with all Laws pertaining to nondiscrimination and affirmative action in employment and hazardous materials.

DEPARTMENT OF INDUSTRIAL RELATIONS- COMPLIANCE MONITORING UNIT

DIR Registration.

- a) Contractor and Subcontractor Compliance. Strict compliance with DIR registration requirements pursuant to Labor Code Section 1725.5 is a material obligation of the Contractor under the Contract Documents. The foregoing includes without limitation, compliance with DIR Registration requirements at all times during performance of the Work by the Contractor and all Subcontractors of any tier. The failure of the Contractor and all Subcontractors of every tier to be DIR registered at all times during the performance of the Work is the Contractor's default of a material obligation of the Contractor under the Contract Documents.
- b) No Subcontractor Performance of Work Without DIR Registration. No portion of the Work is permitted to be performed by a Subcontractor of any tier unless the Subcontractor is a DIR Registered contractor.

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SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

- c) Contractor Obligation to Verify Subcontractor DIR Registration Status. An affirmative and on-going obligation of the Contractor under the Contract Documents is the Contractor's verification that all Subcontractors, of all tiers, are at all times during performance of Work in full and strict compliance with DIR Registration requirements. The Contractor shall not permit or allow any Subcontractor of any tier to perform any Work without the Contractor's verification that all such Subcontractors are in full and strict compliance with DIR Registration requirements.
- d) Contractor Obligation to Request Substitution of Non-DIR Registered Subcontractor. If any Subcontractor identified in the Contractor's Subcontractor List submitted with the Contractor's proposal for the Work is not DIR Registered at the time of opening of proposals for the Work or if a Subcontractor's DIR registration lapses prior to or during a Subcontractor's performance of Work, the Contractor shall request the CITY's consent to substitute the non-DIR registered Subcontractor pursuant to Labor Code Section 1771.1(c)(3) and/ or Labor Code Section 1771.1(d).

Certified Payroll Records

- a) Compliance with Labor Code Section 1771.4 and 1776. A material obligation of the Contractor under the Contract Documents is: (i) the Contractor's strict compliance with the requirements pursuant to Labor Code Section 1771.4 and 1776 for preparation and submittal of Certified Payroll Records ("CPR"); and (ii) the Contractor's enforcement of CPR preparation and submittal for all Subcontractors of every tier.
- b) Express Condition Precedent to Payment of Contract Price. Strict compliance with CPR requirements established pursuant to Labor Code Section 1776 is an express condition precedent to the CITY's obligation to: (i) process any request for payment of any portion of the Contract Price; or (ii) to disburse any portion of the Contract Price to the Contractor. The Contractor shall demonstrate strict compliance with CPR preparation and submittal requirements by delivery to the CITY of electronic files or hard copies of all CPR's submitted by the Contractor and/ or Subcontractors for Work pursuant to Labor Code Section 1771.4 and 1776 concurrently with the submittal thereof to the Labor Commissioner. The CITY: (i) shall not be obligated to process or disburse any portion of the Contract Price; or (ii) shall not be deemed in default of the CITY's obligations under the Contract Documents unless the Contractor's demonstrates strict compliance with CPR preparation and submittal requirements.
- c) PWR Monitoring and Enforcement. During the Work pursuant to Labor Code Section 1771.4(a)(4), the Department of Industrial Relations shall monitor and enforce the obligation of the Construction and Subcontractors of every tier to pay the laborers performing any portion of the work the PWR established for the classification of work/ labor performed.

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SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

Record of wages paid: Inspection

Pursuant to Labor Code section 1776, Contractor stipulates to the following:

- a) Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work under the Facilities lease and Construction Provisions. Such records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information of such forms. The payroll records may consist of payroll data that are maintained as computer records, if printouts contain the same information as the forms provided by the division and the printouts are verified as specified in subdivision (a) of Labor Code section 1776.
- b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of Contractor on the following basis:
 - (1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to such employees or his or her authorized representative on request.
 - (2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the CITY, the Division of Labor Standards Enforcement, and Division of Apprenticeship Standards of the Department of Industrial Relations.
 - (3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or copies thereof. However, a request by the public shall be made through either the CITY, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by Contractor, subcontractors, and the entity through which the request was made. The public shall not be given access to such records at the principal office of Contractor.
- c) Contractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested such records within ten (10) days after receipt of the written request.

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SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
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- d) Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency, by the CITY, the Division of Apprenticeship Standards, or the division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of contractor awarded the contract or performing the contract shall not be marked or obliterated.
- e) Contractor shall inform the CITY of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within (5) working days, provide a notice of a change of location and address.
- f) In the event of noncompliance with the requirements of this Article, Contractor shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects Contractor must comply with this Article. Should noncompliance still be evident after such 10-day period, Contractor shall pay a penalty of One- Hundred Dollars (\$100.00) to the CITY for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from the progress payment then due.

The responsibility for compliance with this Article shall rest upon Contractor.

- 10. Bonds. As a condition precedent to City's obligation to pay compensation to Contractor, and on or before the date of Execution, Contractor shall furnish to the Project Manager the Bonds as required under *Section 00700 - 5.1A*.
- 11. Representations and Warranties. In the supply of any materials and equipment and the rendering of labor and services during the course and scope of the Project and Work, Contractor represents and warrants:
 - (1) Any materials and equipment which shall be used during the course and scope of the Project and Work shall be vested in Contractor;
 - (2) Any materials and equipment which shall be used during the course and scope of the Project and Work shall be merchantable and fit to be used for the particular purpose for which the materials are required;
 - (3) Any labor and services rendered and materials and equipment used or employed during the course and scope of the Project and Work shall be free of defects in workmanship for a period of one (1) year after the recordation of the Notice of Substantial Completion, or, if no such notice is required to be filed, on the date that final payment is made hereunder;
 - (4) Any manufacturer's warranty obtained by Contractor shall be obtained or shall be deemed obtained by Contractor for and on behalf of City.

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

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- (5) Any information submitted by Contractor prior to the award of Contract, or thereafter, upon request, whether or not submitted under a continuing obligation by the terms of the Contract to do so, is true and correct at the time such information is submitted or made available to the City;
 - (6) Contractor has not colluded, conspired, or agreed, directly or indirectly, with any person in regard to the terms and conditions of Contractor's Bid, except as may be permitted by the Notice to Contractors;
 - (7) Contractor has the power and the authority to enter into this Contract with City, that the individual executing this Contract is duly authorized to do so by appropriate resolution, and that this Contract shall be executed, delivered and performed pursuant to the power and authority conferred upon the person or persons authorized to bind Contractor;
 - (8) Contractor has not made an attempt to exert undue influence with the Project Manager or any other person who has directly contributed to City's decision to award the Contract to Contractor;
 - (9) There are no unresolved claims or disputes between Contractor and City which would materially affect Contractor's ability to perform under the Contract;
 - (10) Contractor has furnished and will furnish true and accurate statements, records, reports, resolutions, certifications, and other written information as may be requested of Contractor by City from time to time during the term of this Contract;
 - (11) Contractor and any person performing labor and services under this Project is duly licensed as a contractor with the State of California as required by California Business & Professional Code Section 7028, as amended; and
 - (12) Contractor has fully examined and inspected the Project site and has full knowledge of the physical conditions of the Project site.
12. Assignment. This Contract and the performance required hereunder is personal to Contractor, and it shall not be assigned by Contractor. Any attempted assignment shall be null and void.
 13. Claims of Contractor. All claims pertaining to extra work, additional charges, or delays within the Contract Time or other disputes arising out of the Contract shall be submitted by Contractor in accordance with the General Conditions.

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

14. Audits by City. During the term of this Contract and for a period of not less than three (3) years after the expiration or earlier termination of this Contract, City shall have the right to audit Contractor's Project-related and Work-related writings and business records, as such terms are defined in California Evidence Code Sections 250 and 1271, as amended, during the regular business hours of Contractor, or, if Contractor has no such hours, during the regular business hours of City.
15. Notices. All contracts, agreements, appointments, approvals, authorizations, claims, demands, Change Orders, consents, designations, notices, offers, requests and statements given by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if (1) personally served, (2) sent by the United States mail, postage prepaid, (3) sent by private express delivery service, or (4) in the case of a facsimile transmission, if sent to the telephone FAX number set forth below during regular business hours of the receiving party and followed with two (2) days by delivery of a hard copy of the material sent by facsimile transmission, in accordance with (1), (2) or (3) above. Personal service shall include, without limitation, service by delivery and service by facsimile transmission.

To City: City of Lathrop
City Clerk
390 Towne Centre Drive
Lathrop, CA 95330

Copy to: City of Lathrop
Department of Public Works
390 Towne Centre Drive
Lathrop, CA 95330

(209) 941-7430

ATTN: Veronica Albarran, Project Manager

To Contractor: _____
Mailing Address: _____
Phone: _____
Email: _____
ATTN: _____

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

16. Miscellaneous.

- (1) Bailee Disclaimer. The parties understand and agree that City does not purport to be Contractor's bailee, and City is, therefore, not responsible for any damage to the personal property of Contractor.
- (2) Consent. Whenever in this Contract the approval or consent of a party is required, such approval or consent shall be in writing and shall be executed by a person having the express authority to grant such approval or consent.
- (3) Controlling Law. The parties agree that this Contract shall be governed and construed by and in accordance with the Laws of the State of California.
- (4) Definitions. The definitions and terms are as defined in these specifications.
- (5) Force Majeure. Neither party shall be deemed to be in default on account of any delay or failure to perform its obligations under this Contract, which directly results from an Act of God or an act of a superior governmental authority.
- (6) Headings. The paragraph headings are not a part of this Contract and shall have no effect upon the construction or interpretation of any part of this Contract.
- (7) Incorporation of Documents. All documents constituting the Construction Documents described in Section 3 hereof and all documents which may, from time to time, be referred to in any duly executed amendment hereto are by such reference incorporated in this Contract and shall be deemed to be part of this Contract.
- (8) Integration. This Contract and any amendments hereto between the parties constitute the entire contract between the parties concerning the Project and Work, and there are no other prior oral or written contracts between the parties that are not incorporated in this Contract.
- (9) Modification of Contract. This Contract shall not be modified or be binding upon the parties unless such modification is agreed to in writing and signed by the parties.
- (10) Provision. Any contract, covenant, condition, clause, qualification, restriction, reservation, term or other stipulation in the Contract shall define or otherwise control, establish, or limit the performance required or permitted or to be required of or permitted by either party. All provisions, whether covenants or conditions, shall be deemed to be both covenants and conditions.
- (11) Resolution. Contractor shall submit with its Bid a copy of any corporate or partnership resolution or other writing, which authorizes any director, officer or other employee or partner to act for or on behalf of Contractor or which authorizes Contractor to enter into this Contract.

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

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- (12) Severability. If a court of competent jurisdiction finds or rules that any provision of this Contract is void or unenforceable, the provisions of this Contract not so affected shall remain in full force and effect.
 - (13) Status of Contractor. In the exercise of rights and obligations under this Contract, Contractor acts as an independent contractor and not as an agent or employee of City. Contractor shall not be entitled to any rights and benefits accorded or accruing to the City Council members, officers or employees of City, and Contractor expressly waives any and all claims to such rights and benefits.
 - (14) Successors and Assigns. The provisions of this Contract shall inure to the benefit of, and shall apply to and bind, the successors and assigns of the parties.
 - (15) Time of the Essence. Time is of the essence of this Contract and each of its provisions. In the calculation of time hereunder, the time in which an act is to be performed shall be computed by excluding the first Day and including the last. If the time in which an act is to be performed falls on a Saturday, Sunday, or any Day observed as a legal holiday by City, the time for performance shall be extended to the following Business Day.
 - (16) Venue. In the event that suit is brought by either party hereunder, the parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of San Joaquin or in the United States District Court for the Eastern District of California.
 - (17) Recovery of costs. The prevailing party in any action brought to enforce the terms of this Contract or arising out of this Contract, including the enforcement of the indemnity provision(s), may recover its reasonable costs, including reasonable attorney's fees, incurred or expended in connection with such action against the non-prevailing party.
 - (18) Contractor and subcontractors must comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 USC 1857(h)), Section 508 of the Clean Water Act (33 USC 1368), Executive Order 11738, and Environmental Protection Agency Regulations at 40 CFR Part 15.
 - (19) Contractor and subcontractors must comply with the regulations imposed by California Air Resources Board ("CARB") including, without limitation, Title 13, California Code of Regulations Division 3, Chapter 9, and all pending amendments ("Regulation").
 - (20) Contractors and subcontractors must comply with mandatory standards and policies relating to the energy efficiency which are contained in the State Energy Conservation Plan issued in compliance with the Energy Policy and Conservation ACT (Public Law 94-163, 89 stat 871).

SECTION 00500

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

CONTRACT

- (21) The Contractor shall provide access to the site for the Environmental Protection Agency and its duly authorized representatives, and the City.
- (22) If during the course of construction evidence of deposit of historical or archaeological interest is found, the Contractor shall cease operation affecting the find and shall notify the City, who shall notify the EPA and the State Historic Preservation Officer. No further disturbance of the deposits shall ensue until the Contractor has been notified by the City that construction may proceed. The City will issue a notice to proceed only after the state official has surveyed the find and made a determination to the EPA and the City. Compensation to the contractor, if any, for lost time or changes in construction to avoid the find, shall be determined in accordance with changed conditions or change order provisions of the Construction Documents.
- (23) Notice to Proceed. Prior to commencing work under this Contract, CONTRACTOR shall receive a written "Notice to Proceed" from CITY. A Notice to Proceed shall not be issued until all necessary bonds and insurances have been received. City shall not be obligated to pay CONTRACTOR for any services prior to issuance of the Notice to proceed.
- (24) Signatures. The individuals executing this Contract represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Contract on behalf of the respective legal entities of the CONTRACTOR and the CITY. This Contract shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.
- (25) This project is a public works project: Contractor shall comply with requirements of California Labor Code § 1700 and following, and prevailing wages shall be paid for work performed on this project.
- (26) The statutory provisions for penalties for failing to comply with the State of California wage and labor laws will be enforced, as well as that for failing to pay prevailing wages.

EXHIBITS:

EXHIBIT A: Contractor's Submitted Bid Packet

Certification of insurance, performance and payment bonds, and worker's compensation certification shall be furnished to the City by the Contractor after City Council's approval with resolution.

SECTION 00500

**SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20**

CONTRACT

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above stated in Lathrop, California.

CONTRACTOR:

Seal:

By: _____

Name: _____

Title: _____


By: _____

Name: _____

Title: _____

CITY OF LATHROP

APPROVED AS TO FORM:

By:  _____
Salvador Navarrete, City Attorney

RECOMMENDED FOR APPROVAL:

By: _____
Brad Taylor, City Engineer

APPROVED:

By: _____
Stephen J. Salvatore, City Manager

EXHIBIT A

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

BID PROPOSAL FORMS

TO: City of Lathrop
390 Towne Centre Drive
Lathrop, CA 95330

ATTENTION: City Clerk

FOR: SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20

THE UNDERSIGNED, AS BIDDER, HEREBY AGREES AND DECLARES THAT:

LEGAL COMPLIANCE

The only persons or parties interested in this Bid as Principals are those named herein; that this Bid is made without collusion with any other person, firm, partnership, corporation, or association; that he has carefully examined the location of the proposed work and the Construction Documents; and he proposes and agrees that if this Bid is accepted he will contract with the City of Lathrop, in the form of the Contract as set forth in the Construction Documents for said project, to provide all the necessary labor, services, materials, and equipment, and to do all the work and furnish all the materials; and that he will accept in full payment therefore the price as proposed in the following Bid Schedule.

SCHEDULE OF PRICES

All applicable permit fees, licensing costs, sales taxes, State, and/or Federal, and any other taxes, patent rights, or royalties are included in the prices quoted in the Bid. All blank spaces must be filled in.

BASIS OF AWARD

The basis for award of the contract will be the price of the base bid. The City of Lathrop reserves the right to award the work contemplated by only the Base Bid, or none of the work.

ADDITIVE AND DEDUCTIVE ALTERNATES

As required by Public Contract Code section 20103.8, if this bid solicitation includes additive or deductive items, the method checked below will be used to determine the lowest bid. If no method is checked, subparagraph (A) will be used to determine the lowest bid. City retains the right to add to or deduct from the Contract any of the additive or deductive alternates included in Bid Proposal.

00300-1

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

 X (A) The lowest bid will be the lowest bid price on the base contract without consideration of the prices on the additive or deductive items.

 (B) The lowest bid will be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation or Bid Proposal as being used for the purpose of determining the lowest bid price.

 (C) The lowest bid will be the lowest total of the bid prices on the base contract and those additive and deductive items taken in order from a specifically identified list of those items that, when in the solicitation, and added to, or subtracted from, the base contract, are less than, or equal to, a funding amount publicly disclosed by City before the first bid is opened.

 (D) The lowest bid will be determined in a manner that prevents any information that would identify and of the bidders or the proposed subcontractors or suppliers from being revealed to City before the ranking of all bidders from lowest to highest has been determined.

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SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20

BID SCHEDULE

BID ITEM	DESCRIPTION	QUANTITY	UNITS	UNIT PRICE	EXTENDED TOTAL
1	Mobilization / Bonds / Insurance	1	LS	22,480	22,480
2	Traffic Control	1	LS	34,250	34,250
3	Erosion and Sediment Control Plan (ESCP)	1	LS	5,080	5,080
4	Remove Existing Thermoplastic Striping	950	LF	10.00	9,500
5	Landscape Demolition	520	SF	12.70	6,604
6	Reestablish All Landscaping and Irrigation Disturbed by Construction	1	LS	1,560	1,560
7	Install Irrigation Sleeves Beneath New Concrete Improvements to Reconnect / Maintain Irrigation Service	1	LS	1,440	1,440
8	Grind / Off-Haul / Remove Existing Asphalt Concrete @ 3" Depth	800	SF	11.40	9,120
9	Remove and replace PCC Curb Per Project Plans and Specs	56	LF	80.00	4,480
10	Construct PCC Sidewalk Per Project Plans and Specs	520	SF	14.00	7,280
11	Construct PCC Curb Ramp Case F	2	EA	2,500	5,000
12	Construct PCC Curb Ramp Case G	1	EA	3,000	3,000
13	Construct PCC Curb Ramp Case C	2	EA	1,500	3,000
14	Install City-Furnished Safe-T Lane Interlocking Concrete Bike Lane Dividers with long and tapered end units	3106	LF	17.35	53,889.10
15	Install City-Furnished Signage and Poles with PCC Footings	12	EA	400.00	4,800
16	Install 2" Conduit per Plans & Specs	75	LF	139.20	10,440
17	Install #4 @ 12 O.C. Both Ways per Project Plans & Specs	800	SF	13.05	10,440
18	Supply / Staking / Place PCC Raised Crosswalk per Project Plans and Specs	1	LS	8,490	8,490
19	Install Thermoplastic Striping – MUTCD Figure 3B-30 Option A	2	EA	1,000	2,000
20	Install Thermoplastic Striping – Caltrans Std. Pln. A20D, Detail 39	3310	LF	5.00	16,550
21	Install Thermoplastic Striping – Caltrans Std. Pln. A20D, Detail 39A	1135	LF	3.00	3,405
22	Install Thermoplastic Striping – Caltrans Std. Pln. A20, Detail 39A	1315	LF	3.00	3,945

00300-3

SECTION 00300**SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20****BID PROPOSAL FORMS**

	with Methyl Methacrylate (MMA) Green Enhancement				
23	Install Thermoplastic Striping – Ladder Crosswalk 2' Rungs @ 2' Spaces per Caltrans Std. Pln. A24F	100	LF	3.00	300.00
24	Install Thermoplastic Markings - Shared Lane Marking MUTCD Figure 9C-9	8	EA	250.00	2,000
25	Install Thermoplastic Markings - Helmeted Bicyclist Marking MUTCD Figure 9C-3 Option B	7	EA	250.00	1,750
	TOTAL BID				\$230,803.10

TOTAL BID : \$230,803.10**TOTAL BID IN WORDS :** Two hundred thirty thousand eight hundred three and one tenth

00300-4

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

INFORMATION REQUIRED OF BIDDER

The Bidder shall furnish the following information. This information is considered essential in enabling the Project Manager to determine if the Bidder is experienced in similar types of work and if the Bid is based on a careful study of methods applicable to the work and full realization of the various factors which may affect the progress of the work. Failure to comply with this requirement may render the Bid non-responsive and may cause its rejection. Additional sheets shall be attached as required.

BIDDER'S INFORMATION

- (1) Bidder's name and address:

United Pavement Maintenance, Inc.

2907 Tully Rd, Hughson, CA, 95326

Mailing - P.O. Box 1017 Hughson, CA, 95326

- (2) Bidder's telephone number: (209) 883-4345

- (3) Bidder's email address: rudy@asphaltpavingpros.net

- (4) Bidder's Contractor's License # / Expiration Date / Classification:

905503 / 08/31/2027 / A, B, C10, C31, C32.

- (5) Bidder's DIR Registration # / Expiration:

1000878534 / 06/30/2026

- (6) Person who inspected site of proposed work for Contractor's firm:

Name: Javier Ruvalcaba Date of Inspection: 12/03/2025

- (7) List 5 projects of a nature similar to this project:

Project	Contract Price	Name, Address and Telephone Number of Owner
Citywide Sidewalk Repair	\$2,815,330	City of Stockton 22 E Weber Ave Rm 301 Stockton, Ca. 95202 209-937-8411
23-031 Pkg-1 Roads Program	\$1,314,374	City of Turlock 156 S. Broadway St Turlock, Ca. 95382 209-668-5600
Patterson Rd Sidewalk Project	\$315,280	City of Riverbank 6617 Third Ave Riverbank, Ca 95367 209-863-7155
Jail Courthouse Walkway	\$160,719	County of Tuolumne 2 S Green St Sonora, Ca. 95370 209-533-5904
Citywide Curb Ramps 2024 CDBG 2023-06	\$533,077	City of Elk Grove 8401 Laguna Palms Way Elk Grove, Ca. 95758 916-627-3315

00300-5

SECTION 00300**SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20****BID PROPOSAL FORMS****LIST OF SUBCONTRACTORS:**

The Bidder shall list below the name and business address of each subcontractor who will perform work under this Bid in excess of one-half of one percent of the Contractor's Total Bid Price or ten thousand dollars (\$10,000), whichever is greater. Shall also list the portion of the WORK which will be done by such subcontractor, in accordance with Section 4104 of the Public Contract Code. After the opening of bids, no changes or substitutions will be allowed except as otherwise provided by law. The listing of more than one subcontractor for each item of work to be performed with the words "and/or" will not be permitted. Failure to comply with this requirement may render the Bid non-responsive and may cause its rejection. Should the Contractor provide a bid that does not require a subcontractor, the Contractor shall note that on this page by writing "Not Applicable" in the list below.

Work to be Performed	Subcontractor Name	Subcontractor Address	California Contractor's License No.	DIR No.	Percent of Work
Mobilization(p), T.C.(p), Remove Existing Thermoplastic Striping, Install Thermoplastic Striping & Markings	Central Striping Service, Inc	3489 Luyung Drive, Rancho Cordova, CA 95742	403896	1000006499	26.2%
Staking(p)	JDE Engineering	14490 Boulder Creek Ct, Manteca, CA 95336	N/A	2000015362	2.5%
WPCP, Site Visits	Genesis SWPPP	1841 Tenaya Ave, Clovis, CA 93611	N/A	2000016857	1.3%

Note: Attach additional sheets if required.

00300-6

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

ADDENDA

Bidder certifies he reviewed ARC Stockton's website for addenda within 48 hours of bid opening and acknowledges receipt of the following addendum (addenda):

1

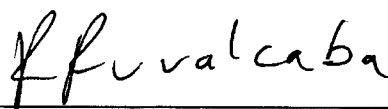
Respectfully submitted,

12/15/2025

Dated

United Pavement Maintenance, Inc.

Legal Name of Firm



Signature of Authorized Representative

(Seal)

(If Bidder is a corporation, show State in which incorporated.)

A California Corporation
2907 Tully Rd,
Hughson, CA 95326

The full names and post office addresses of all persons and parties interested in the foregoing Bid as principals are as follows:

(NOTICE): Give first and last names in full; in case of corporation, give names of President, Secretary, Treasurer, and Manager, and in case of partnerships and joint ventures, give names and Post Office addresses of all the individual members.

<u>United Pavement Maintenance, Inc.</u>	<u>S Corporation</u>	<u>A California Corporation</u>
<u>Rodolfo Ruvalcaba</u>	<u>President, Treasurer, and Manager</u>	
<u>Mabel Ruvalcaba</u>	<u>Corporate Secretary</u>	
<u> </u>		
<u> </u>		
<u> </u>		

00300-7

RESOLUTION OF United Pavement Maintenance, Inc.



Authorized Officers - Certificate of Secretary

I, Mabel Ruvalcaba, the Secretary of United Pavement Maintenance, Inc. ("Corporation"), a corporation organized under the laws of the state of California, with its primary place of business at 2907 Tully Rd, P.O. Box 1017, Hughson, California, 95326, hereby certify that the following is a true and complete copy of a resolution the Board of Directors of the Corporation ("Board") adopted by a vote of the members of the Board at the Board meeting taking place on May 17, 2013. A quorum was present, and the vote complied with the bylaws of the corporation.

NOW THEREFORE LET IT BE:

RESOLVED, that any one of the following directors, with titles as designated, are authorized and directed to execute on behalf of and as the act of this corporation all bids, contracts, and other documents necessary.

Director: Rodolfo Ruvalcaba, President

Signature: *R. Ruvalcaba*

Director: Rodolfo Ruvalcaba, Vice President

Director: Rodolfo Ruvalcaba, Treasurer

Director: Mabel Ruvalcaba, Corporate Secretary

I further certify that this resolution has not been amended, modified, or repealed.

IN WITNESS WHEREOF, I have set my hand on behalf of the Corporation on January 24, 2024.

By: *Mabel Ruvalcaba*

Print Name: Mabel Ruvalcaba

Title: Corporate Secretary

Date: 12/15/2025

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

BIDDER'S BOND

KNOW ALL MEN BY THESE PRESENTS:

THAT WE United Pavement Maintenance, Inc.as PRINCIPAL, and Atlantic Specialty Insurance Company

as SURETY are held; and firmly bond unto the City of Lathrop in the penal sum of TEN PERCENT (10%) OF THE TOTAL AMOUNT OF THE BID of the Principal above named, submitted by the Principal to the City of Lathrop for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made to the City of Lathrop to which the bid was submitted, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by those presents. In no case shall the liability of the surety hereunder exceed the sum of \$ Ten Percent (10%) of the Amount Bid

THE CONDITION OF THIS OBLIGATION IS SUCH,

THAT, WHEREAS, the Principal has submitted the above mentioned bid to the City of Lathrop for certain construction specifically described as follows, for which bids are to be opened at the City Hall, 390 Towne Centre Drive, Lathrop, CA: **SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS, CIP PS 26-20.**

NOW, THEREFORE, if the Principal is awarded the contract and within the time and manner required under the specifications, after the prescribed forms are presented to him for signature enters into a written contract in the prescribed form, in accordance with the bid, and files two bonds with the City, one to guarantee faithful performance, and the other to guarantee payment for labor and materials as required by law, then this obligation shall be null and void; otherwise, it shall be and remain in full force.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on this 1st day of December, 2025.

United Pavement Maintenance, Inc. (Seal)

Rodolfo Rualcaba (Seal)
Rodolfo Rualcaba-President
Address: P.O. Box 1017

Hughson, CA 95326Atlantic Specialty Insurance Company (Seal)

Magdalena R. Wolfe (Seal)
Magdalena R. Wolfe, Attorney-in-Fact

Address: One Towne Square, Ste. 1470Southfield, MI 48076

NOTE: Signatures of those executing for the surety must be properly acknowledged.

00300-8

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Marin

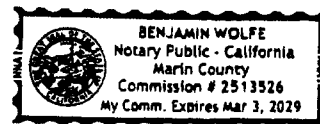
On DEC 01 2025 before me, Benjamin Wolfe, Notary Public
(insert name and title of the officer)

personally appeared Magdalena R. Wolfe
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal)





Bond No. CSBA-32988

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS, that ATLANTIC SPECIALTY INSURANCE COMPANY, a New York corporation with its principal office in Plymouth, Minnesota, does hereby constitute and appoint: **Adrian Langrell, Arturo Ayala, Ben Stong, Benjamin Wolfe, Chelsea Liberatore, Daniel Huckabay, Frank Morones, Magdalena R. Wolfe, Michael D Stong, Robert Wood, Shaunna Rozelle Ostrom**, each individually if there be more than one named, its true and lawful Attorney-in-Fact, to make, execute, seal and deliver, for and on its behalf as surety, any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof; provided that no bond or undertaking executed under this authority shall exceed in amount the sum of: **unlimited** and the execution of such bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof in pursuance of these presents, shall be as binding upon said Company as if they had been fully signed by an authorized officer of the Company and sealed with the Company seal. This Power of Attorney is made and executed by authority of the following resolutions adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

Resolved: That the President, any Senior Vice President or Vice-President (each an "Authorized Officer") may execute for and in behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and affix the seal of the Company thereto; and that the Authorized Officer may appoint and authorize an Attorney-in-Fact to execute on behalf of the Company any and all such instruments and to affix the Company seal thereto; and that the Authorized Officer may at any time remove any such Attorney-in-Fact and revoke all power and authority given to any such Attorney-in-Fact.

Resolved: That the Attorney-in-Fact may be given full power and authority to execute for and in the name and on behalf of the Company any and all bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof, and any such instrument executed by any such Attorney-in-Fact shall be as binding upon the Company as if signed and sealed by an Authorized Officer and, further, the Attorney-in-Fact is hereby authorized to verify any affidavit required to be attached to bonds, recognizances, contracts of indemnity, and all other writings obligatory in the nature thereof.

This power of attorney is signed and sealed by facsimile under the authority of the following Resolution adopted by the Board of Directors of ATLANTIC SPECIALTY INSURANCE COMPANY on the twenty-fifth day of September, 2012:

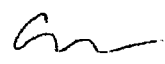
Resolved: That the signature of an Authorized Officer, the signature of the Secretary or the Assistant Secretary, and the Company seal may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing an Attorney-in-Fact for purposes only of executing and sealing any bond, undertaking, recognizance or other written obligation in the nature thereof, and any such signature and seal where so used, being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.

IN WITNESS WHEREOF, ATLANTIC SPECIALTY INSURANCE COMPANY has caused these presents to be signed by an Authorized Officer and the seal of the Company to be affixed this first day of January, 2023.

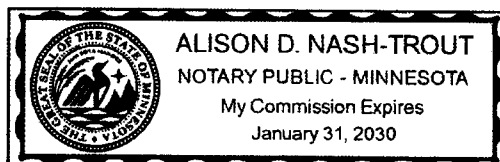
STATE OF MINNESOTA
HENNEPIN COUNTY

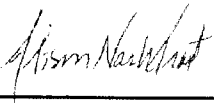


By


Sarah A. Kolar, Vice President and General Counsel

On this first day of January, 2023, before me personally came Sarah A. Kolar, Vice President and General Counsel of ATLANTIC SPECIALTY INSURANCE COMPANY, to me personally known to be the individual and officer described in and who executed the preceding instrument, and she acknowledged the execution of the same, and being by me duly sworn, that she is the said officer of the Company aforesaid, and that the seal affixed to the preceding instrument is the seal of said Company and that the said seal and the signature as such officer was duly affixed and subscribed to the said instrument by the authority and at the direction of the Company.



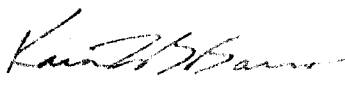

Notary Public

I, the undersigned, Secretary of ATLANTIC SPECIALTY INSURANCE COMPANY, a New York Corporation, do hereby certify that the foregoing power of attorney is in full force and has not been revoked, and the resolutions set forth above are now in force.

Signed and sealed. Dated 1st day of December, 2025.

This Power of Attorney expires
January 31, 2030




Kara L.B. Barrow, Secretary

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Stanislaus

On December 12, 2025

before me, Annette M Kinsfater, Notary Public

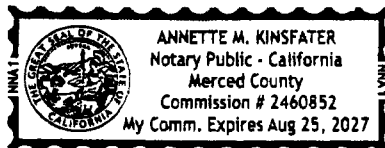
Date

Here Insert Name and Title of the Officer

personally appeared Rodolfo Ruvalcaba - President

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal and/or Stamp Above

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Annette M Kinsfater
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Bidder's Bond

Document Date: December 1, 2025

Number of Pages: Three

Signer(s) Other Than Named Above: No other signers

Capacity(ies) Claimed by Signer(s)

Signer's Name: Rodolfo Ruvalcaba

Signer's Name: _____

☒ Corporate Officer – Title(s): President

☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General

☐ Partner – ☐ Limited ☐ General

☐ Individual

☐ Attorney in Fact

☐ Individual

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

☐ Other: _____

Signer is Representing: _____

Signer is Representing: _____

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

NON-COLLUSION AFFIDAVIT

STATE OF California)
) ss.
COUNTY OF Stanislaus)

Rodolfo Ruvalcaba, being first duly sworn, deposes and says that he or she is

United Pavement Maintenance, Inc.

President of _____ the party making the foregoing bid that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company associated, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Ruvalcaba
Signature of: President, Secretary,
Manager, Project Manager or Representative

The County of _____

State of _____

Subscribed and sworn to (or affirmed) before me

on this _____ day of _____, 20____, by

_____, proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Seal _____

Signature _____

See Attached Notary

00300-9

CALIFORNIA JURAT WITH AFFIANT STATEMENT**GOVERNMENT CODE § 8202**☒ See Attached Document (Notary to cross out lines 1–6 below)☐ See Statement Below (Lines 1–6 to be completed only by document signer[s], not Notary)

1 _____
2 _____
3 _____
4 _____
5 _____

Signature of Document Signer No. 1

Signature of Document Signer No. 2 (if any)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

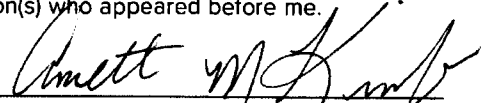
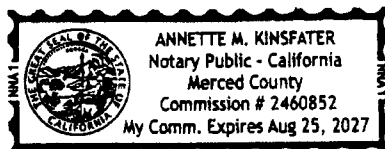
State of California

County of Stanislaus

Subscribed and sworn to (or affirmed) before me

on this 12 day of December, 2025,
by Date Month Year(1) Rodolfo Ruvalcaba(and (2) _____),
*Name(s) of Signer(s)*proved to me on the basis of satisfactory evidence to
be the person(s) who appeared before me.

Signature


Signature of Notary Public*Place Notary Seal and/or Stamp Above***OPTIONAL**

*Completing this information can deter alteration of the document or
fraudulent reattachment of this form to an unintended document.*

Description of Attached DocumentTitle or Type of Document: Non-Collusion AffidavitDocument Date: No Date Number of Pages: OneSigner(s) Other Than Named Above: No other signers

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

PUBLIC CONTRACT CODE SECTION 10162 QUESTIONNAIRE

In accordance with Public Contract Code Section 10162, the Bidder shall complete, under penalty of perjury, the following questionnaire:

Has the Bidder, any officer of the Bidder, or any employee of the Bidder, who has a proprietary interest in the Bidder, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes _____ No ✓

If the answer is yes, explain the circumstances in the following space.

N/A

PUBLIC CONTRACT SECTION 10232 STATEMENT

In accordance with Public Contract Code Section 10232, the Contractor hereby states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board.

NOTE: The above Statement and Questionnaire are part of the Proposal. Signing this proposal on the signature portion thereof shall also constitute signature of this Statement and Questionnaire.

Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

00300-10

SECTION 00300

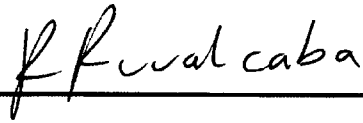
**SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20**

BID PROPOSAL FORMS

AFFIRMATIVE ACTION PROGRAM CERTIFICATE

The Bidder hereby certifies that Bidder is in compliance with the Civil Rights Act of 1964, Executive Order No. 11246, and all other applicable Federal and State laws and regulations relating to equal opportunity employment.

BIDDER



(Signature)

12/15/2025

(Date)

Bidder's Name: United Pavement Maintenance, Inc.

Address: 2907 Tully Rd, Hughson, CA, 95326

Mailing - P.O. Box 1017 Hughson, CA, 95326

(The above certification of the Bidder regarding its affirmative action program shall be filled out completely, signed, and submitted by each Bidder and shall be a part of the Contract Documents.)

(END OF SECTION)

00300-11

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

**PUBLIC WORKS CONTRACTOR REGISTRATION CERTIFICATION
SUBMIT WITH BID**

Pursuant to Labor Code sections 1725.5 and 1771.1, all contractors and subcontractors that wish to bid on, be listed in a bid proposal, or enter into a contract to perform public work must be registered with the Department of Industrial Relations.

See <https://www.dir.ca.gov/Public-Works/PublicWorks.html> for additional information.

No bid will be accepted nor any contract entered into without proof of the contractor's and subcontractors' current registration with the Department of Industrial Relations to perform public work.

Bidder hereby certifies that it is aware of the registration requirements set forth in Labor Code sections 1725.5 and 1771.1 and is currently registered as a contractor with the Department of Industrial Relations.

Name of Bidder: United Pavement Maintenance, Inc.

DIR Registration Number: 1000878534

Bidder further acknowledges:

1. Bidder shall maintain a current DIR registration for the duration of the project.
2. Bidder shall include the requirements of Labor Code sections 1725.5 and 1771.1 in its contract with subcontractors and ensure that all subcontractors are registered at the time of bid opening and maintain registration status for the duration of the project.
3. Failure to submit this form or comply with any of the above requirements may result in a finding that the bid is non-responsive.

Bidder's Signature: Rodolfo Ruvalcaba

Bidder's Name and Title: Rodolfo Ruvalcaba - President

Firm: United Pavement Maintenance, Inc.

Date: 12/15/2025

(END OF DOCUMENT)

00300-12

SECTION 00300

SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20

BID PROPOSAL FORMS

CERTIFICATION OF DRUG-FREE WORKPLACE REQUIREMENTS

BIDDER CERTIFICATIONS

1. The Bidder certifies that it will or will continue to provide a drug-free work place by:

A. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Bidder's work place and specifying the actions that will be taken against employees for violation of such prohibition:

1. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement.
2. Notifying the employee in the statement that, as a condition of employment under the Contract, the employee will:
 - a. Abide by the terms of the statement.
 - b. Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the work place no later than 5 calendar days after such conviction:
 - 1) Notifying the Owner in writing within 10 calendar days after receiving notice from an employee or otherwise receiving actual notice of such conviction.
 - 2) Taking 1 of the following actions, within 30 calendar days of receiving notice, with respect to any employee who is so convicted:
 - a) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of Federal and State law.
 - b) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purpose by a Federal, State or local health, law enforcement, or other appropriate agency.
 - c) Notify the employee that in the event of a major accident/incident resulting in loss of life, injury or damage to the facility, or equipment, all personnel involved shall be required to submit to substance testing as soon as possible after the incident, but not more than 4 hours after the incident.

B. Establishing an ongoing drug-free awareness program to inform employees about:

00300-13

SECTION 00300

**SPARTAN WAY TRAFFIC SAFETY ENHANCEMENTS
CIP PS 26-20**

BID PROPOSAL FORMS

1. The dangers of drug abuse in the work place.
2. The Bidder's policy of maintaining a drug-free work place.
3. Any available drug counseling, rehabilitation, and employee assistance programs. The penalties that may be imposed upon employees for drug abuse violations occurring in the work place.


- C. Making a good faith effort to continue to maintain a drug-free work place through implementation of the requirements stated in this Document.

WORK LOCATIONS

1. The Bidder acknowledges that the performance of work done in connection with this Contract will occur at the location(s) listed and / or described below:

1. Spartan Way, from Stanford Crossing to Golden Valley Parkway
2. Intersection of Barbara Terry Boulevard and Adobe Way

BIDDER United Pavement Maintenance, Inc.



(Signature)

12/15/2025

(Date)

00300-14

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM: **ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH
EP NO. 21-83, LOCATED AT 17401 MANTHEY ROAD,
FROM MANTHEY ROAD INVESTMENTS, LLC**

RECOMMENDATION: **Adopt Resolution to Accept Public Improvements
Associated with Encroachment Permit No. 21-83,
Located at 17401 Manthey Road from Manthey Road
Investments, LLC**

SUMMARY:

Manthey Road Investments, LLC, the developer of the Fairfield Inn hotel located at 17401 Manthey Road, has completed the public improvements associated with Encroachment Permit (EP) No. 2021-83. A vicinity map of the improvements is included as Attachment "B".

Staff has inspected the improvements listed in Attachment "C" and the City Engineer has deemed them complete and in compliance with the approved plans and specifications. The approximate value of the improvements constructed is \$192,069.61, as shown in the GASB 34 Report included as Attachment "C".

Manthey Road Investments, LLC has provided a one-year warranty bond based on 10% of the completed construction costs, as well as lien releases for the improvements proposed for acceptance.

Staff requests that City Council accept the public improvements listed in Attachment "C".

BACKGROUND:

The City of Lathrop Planning Commission approved Conditional Use Permit 21-54 (CUP-21-54) and Site Plan Review 21-55 (SPR-21-55) by Resolution 21-19 on July 14, 2021, for a 4-story, 53,800-square-foot hotel with 97 guestrooms.

The Conditions of Approval (COAs) associated with CUP-21-54 and SPR-21-55 required the installation of frontage improvements along Manthey Road, including, but not limited to, paving, landscaping, lighting and sidewalk. The work was completed under EP 2021-83.

Staff has inspected the public improvements associated with EP 2021-83 as listed in Attachment "C", and the City Engineer has deemed them complete and in compliance with the approved plans and specifications.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH EP NO. 21-83,
LOCATED AT 17401 MANTHEY RD, FROM MANTHEY ROAD INVESTMENTS, LLC**

Manthey Road Investments, LLC has submitted a one-year warranty bond equal to 10% of the completed construction costs, along with lien releases for the improvements proposed for acceptance. Upon acceptance, the cashier's check guarantee will be released and replaced with the warranty bond. The guarantee associated with the improvements proposed for acceptance is detailed in Table 1 below:

Table 1

Description	Cashier's Check	Warranty Bond Number & Amount
Encroachment Permit 2021-83	3880513643 \$110,400	73779975 \$19,206.96

REASON FOR RECOMMENDATION:

Staff has inspected the public improvements associated with EP 2021-83 listed in the GASB 34 Report, and the City Engineer has deemed them complete and in accordance with the approved plans and specifications.

Manthey Road Investments, LLC has provided unconditional lien releases and a one-year warranty bond for the completed improvements. Staff recommends that the City Council accept the public improvements listed in Attachment "C".

FISCAL IMPACT:

The City's maintenance costs will increase to maintain the accepted improvements. The warranty bond will cover any repairs or replacements due to defective materials or workmanship required during the one-year period beginning with this acceptance. The City's Service Maintenance Capital Facilities District 2004-01 has been established to fund City maintenance and operating costs.

ATTACHMENTS:

- A. Resolution to Accept Public Improvements Associated with Encroachment Permit (EP) No. 2021-83 Located at 17401 Manthey Road from Manthey Road Investments, LLC
- B. Vicinity Map
- C. GASB 34 Report – 17401 Manthey Road

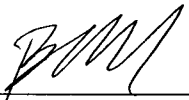
CITY MANAGER'S REPORT

PAGE 3

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

**ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH EP NO. 21-83,
LOCATED AT 17401 MANTHEY RD, FROM MANTHEY ROAD INVESTMENTS, LLC**


APPROVALS:



Bellal Nabizadah
Assistant Engineer

1/5/26


Date



Brad Taylor
City Engineer

1/5/2026


Date



Cari James
Finance Director

1/7/2026

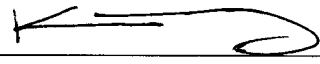
Date



Thomas Hedegard
Deputy City Manager

1/6/2026

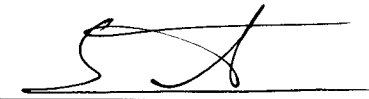
Date



Michael King
Assistant City Manager

1-7-2026


Date



Salvador Navarrete
City Attorney

1-5-2026

Date



Stephen J. Salvatore
City Manager

1-8-26

Date

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH ENCROACHMENT PERMIT NO. 21-83, LOCATED AT 17401 MANTHEY ROAD, FROM MANTHEY ROAD INVESTMENTS, LLC

WHEREAS, on July 14, 2021, the City of Lathrop Planning Commission approved Conditional Use Permit 21-54 (CUP-21-54) and Site Plan Review 21-55 (SPR-21-55) by Resolution 21-19 for a 4-story, 53,800-square-foot hotel with 97 guestrooms located at 17401 Manthey Road; and

WHEREAS, the Conditions of Approval (COAs) associated with CUP-21-54 and SPR-21-55 required the installation of frontage improvements along Manthey Road, including, but not limited to, paving, landscaping, lighting and sidewalk. The work was completed under Encroachment Permit No. 2021-83 (EP 2021-83); and

WHEREAS, construction of the frontage improvements is complete, and the approximate value of the improvements proposed to be accepted is \$192,069.61, as shown in the GASB 34 Report; and

WHEREAS, Manthey Road Investments, LLC has submitted a one-year warranty bond equal to 10% of the completed construction costs, along with lien releases for the improvements proposed for acceptance. Upon acceptance, the cashier's check guarantee will be released and replaced with the warranty bond. The bonds associated with the improvements proposed for acceptance are detailed in Table 1 below:

Table 1

Description	Cashier's Check	Warranty Bond Number & Amount
Encroachment Permit 2021-83	3880513643 \$110,400	73779975 \$19,206.96

; and

WHEREAS, staff has inspected the public improvements associated with EP 2021-83 listed in the GASB 34 Report and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer; and

WHEREAS, the one-year warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements; and

WHEREAS, staff recommends that the City Council accept the public improvements listed in Attachment "C" of the City Manager's Report that accompanied this Resolution; and

WHEREAS, the City's maintenance costs will increase because of the additional improvements that have to be maintained. The future operating and maintenance costs of these improvements will be funded by the Council approved Community Facilities District 2004-01.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the public improvements associated with Encroachment Permit No. 2021-83 located at 17401 Manthey Road from Manthey Road Investments, LLC.

PASSED AND ADOPTED by the City Council of the City of Lathrop this 12th day of January 2026, by the following vote:

AYES:

NOES:

ABSTAIN:

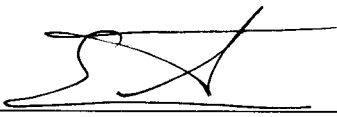
ABSENT:

Paul Akinjo, Mayor

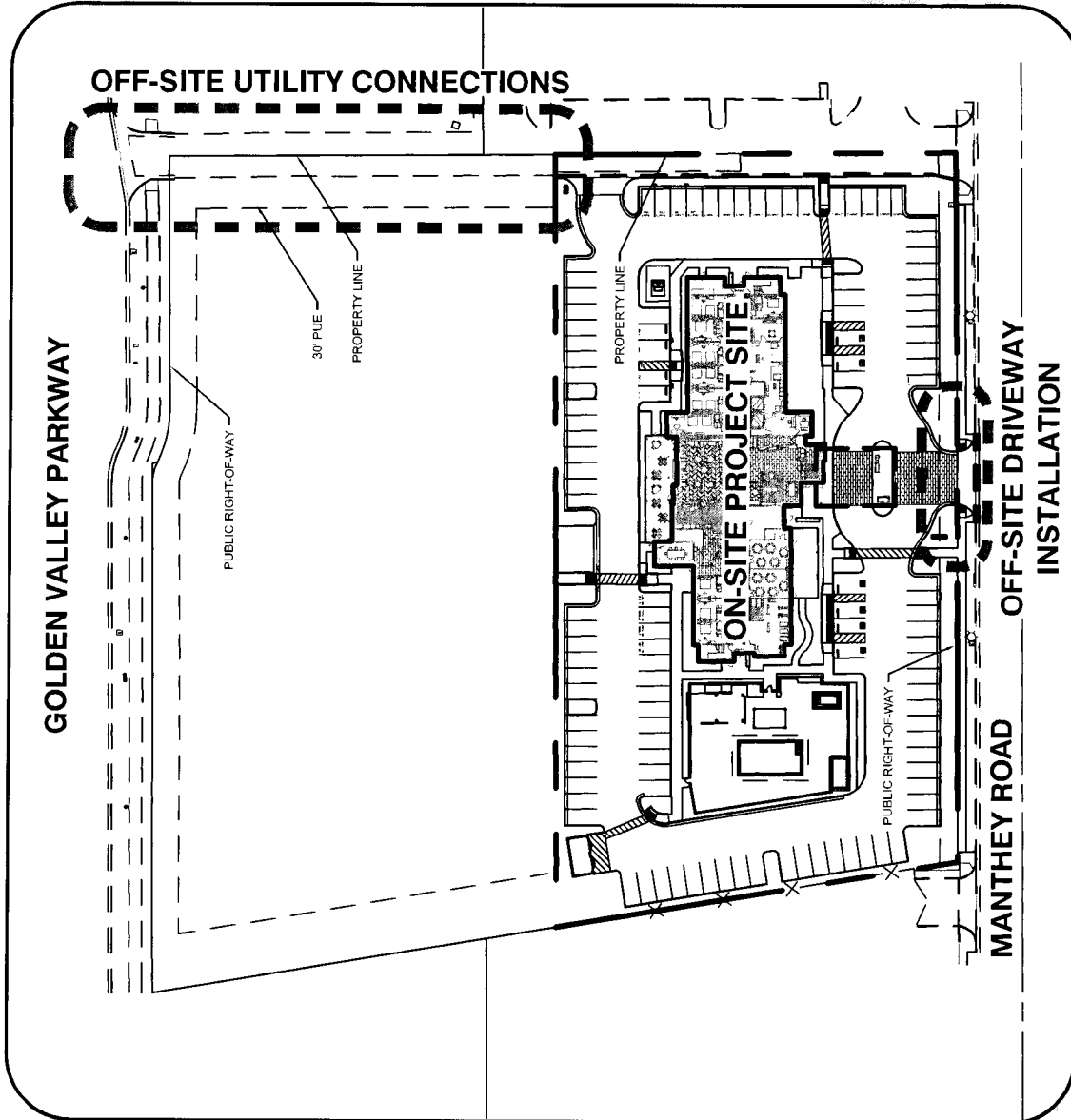
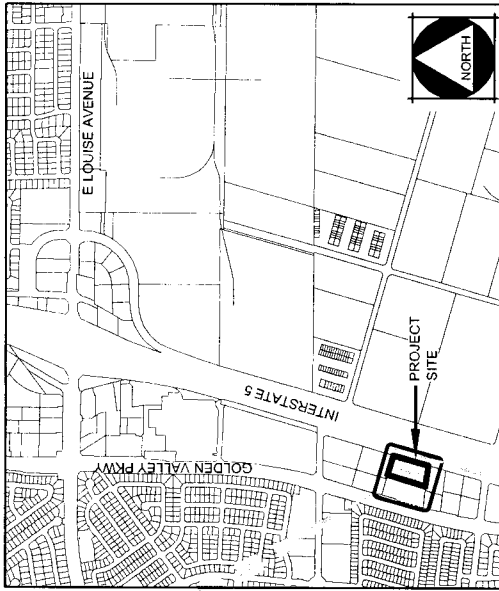
ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:

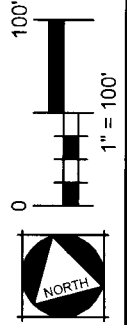


Salvador Navarrete, City Attorney



mcr
ENGINEERING
www.mcr-eng.com

MCR ENGINEERING, INC.
1242 DUPONT COURT
MANTENCA, CA 95336
TEL: (209) 239-6229
FAX: (209) 239-8839



FAIRFIELD BY MARRIOTT

LATHROP, CA

DATE: 12/29/2025

**City of Lathrop
Project Acceptance
(GASB 34 Report)**

Submitted by: MCR Engineering

Date: 12/29/2025

Project: Fairfield Inn by Marriott

Address: 17401 S Manthey Road

Soft Costs		Unit Cost	Total
1.	Civil Engineering (MCR Engineering, Inc.)	\$ 19,750.00	\$ 19,750.00
2.	Construction Staking (MCR Engineering, Inc.)	\$ 5,000.00	\$ 5,000.00
SUBTOTAL			\$ 24,750.00

Item	Description	Quantity	Unit Cost	Total
A. Site Preparation				
1.	Mobilization	1 LS	\$ 10,000.00	\$ 10,000.00
2.	Site Clearing and Grubbing	1 AC	\$ 2,500.00	\$ 1,250.00
SUBTOTAL				\$ 11,250.00
B. Sanitary Sewer				
1.	6" Sewer (PVC)	265 LF	\$ 32.00	\$ 8,480.00
2.	48" Sanitary Sewer Manhole	2 EA	\$ 10,000.00	\$ 20,000.00
3.	Connect to Existing Sewer	1 EA	\$ 6,000.00	\$ 6,000.00
SUBTOTAL				\$ 34,480.00
C. Water System				
1.	1.5" Landscape Irrigation Water (PVC)	244 LF	\$ 21.00	\$ 5,124.00
2.	4" Water (PVC)	255 LF	\$ 30.00	\$ 7,660.11
3.	4" Gate Valve	1 EA	\$ 1,300.00	\$ 1,300.00
4.	Thrust Block	2 EA	\$ 2,500.00	\$ 5,000.00
5.	1" Backflow & Meter	1 EA	\$ 2,500.00	\$ 2,500.00
6.	4" Backflow & Meter	1 EA	\$ 5,500.00	\$ 5,500.00
7.	Stub On-Site	1 EA	\$ 1,000.00	\$ 1,000.00
8.	Connect to Existing Water	1 EA	\$ 2,500.00	\$ 2,500.00
SUBTOTAL				\$ 30,584.11
D. Paving				
1.	3.0" AC / 14" Class II AB	6,000 SF	\$ 5.06	\$ 30,385.50
2.	Concrete Sidewalk / Driveway	6,216 SF	\$ 7.50	\$ 46,620.00
SUBTOTAL				\$ 77,005.50
E. Miscellaneous				
1.	Erosion Control (During Construction)	1 LS	\$ 5,000.00	\$ 5,000.00
2.	Sawcut Pavement Removal	6,000 SF	\$ 1.50	\$ 9,000.00
SUBTOTAL				\$ 14,000.00

Hard Cost Subtotal: **\$ 167,319.61**

Soft Cost Subtotal: **\$ 24,750.00**

GRAND TOTAL **\$ 192,069.61**



**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM: **ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH
EP NO. 22-128, LOCATED AT 1500 E. MADRUGA
ROAD, FROM CUNHA TRUCKING**

RECOMMENDATION: **Adopt Resolution to Accept Public Improvements
Associated with Encroachment Permit No. 22-128,
Located at 1500 E. Madruga Road, from Cunha
Trucking**

SUMMARY:

Cunha Trucking (Cunha), the developer of the trucking facility expansion located at 1500 E. Madruga Road, has completed the public improvements associated with Encroachment Permit (EP) No. 22-128. A vicinity map of the improvements is included in Attachment "B".

Staff has inspected the improvements listed in Attachment "C" and the City Engineer has deemed them complete and in compliance with the approved plans and specifications. The approximate value of the improvements constructed is \$784,800.00, as shown in the GASB 34 Report included as Attachment "C".

Cunha has provided a one-year warranty bond based on 10% of the completed construction costs, as well as lien releases for the improvements proposed for acceptance.

Staff requests that City Council accept the public improvements listed in Attachment "C".

BACKGROUND:

On August 12, 2021, the City of Lathrop Planning Division approved Minor Site Plan Review No. 21-48 (MSPR-21-48) for the expansion of the existing trucking facility at 1500 E. Madruga Road (APN: 241-030-33). The expansion authorizes an additional 11 commercial truck trailer parking spaces and 21 automobile parking spaces (including 1 accessible parking space). This approved construction includes expansion of the existing roadway, utility extensions, landscaping, and related site improvements.

The conditions of approval associated with MSPR-21-48 required the installation of offsite improvements along Madruga Road, including but not limited to curb, gutter, sidewalk, landscaping, and utilities. The work was completed under EP 22-128.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH EP NO. 22-128,
LOCATED AT 1500 E. MADRUGA ROAD, FROM CUNHA TRUCKING**

Staff has inspected the public improvements associated with EP 22-128, as listed in Attachment "C" and the City Engineer has deemed them complete and in compliance with the approved plans and specifications.

Cunha has submitted a one-year warranty bond equal to 10% of the completed construction costs, along with lien releases for the improvements proposed for acceptance. Upon acceptance, the performance bond will be released and replaced with the warranty bond. The bonds associated with the improvements proposed for acceptance are detailed in Table 1 below.

Table 1

Description	Performance Bond	Warranty Bond
Encroachment Permit 22-128	4459688 \$173,524.00	4459688W \$78,480.00

REASON FOR RECOMMENDATION:

Staff has inspected the public improvements associated with EP 22-128 listed in the GASB 34 Report, and the City Engineer has deemed them complete and in accordance with the approved plans and specifications.

Cunha has provided unconditional lien releases and a one-year maintenance bond for the completed improvements. Staff recommends that the City Council accept the public improvements listed in Attachment "C".

FISCAL IMPACT:

The City's maintenance costs will increase to maintain the accepted improvements. The warranty bond will cover any repairs or replacements due to defective materials or workmanship required during the one-year period beginning with this acceptance. The City's Service Maintenance Capital Facilities District 2019-01 has been established to fund City maintenance and operating costs.

ATTACHMENTS:

- A. Resolution to Accept Public Improvements Associated with Encroachment Permit (EP) No. 22-128 Located at 1500 E. Madrugá Road from Cunha Trucking
- B. Vicinity Map
- C. GASB 34 Report – 1500 E. Madrugá Road

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ACCEPT PUBLIC IMPROVEMENTS ASSOCIATED WITH EP NO. 22-128,
LOCATED AT 1500 E. MADRUGA ROAD, FROM CUNHA TRUCKING

PAGE 3

APPROVALS:



Bellal Nabizadah
Assistant Engineer

1/5/26

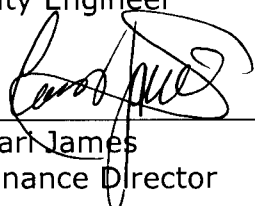
Date



Brad Taylor
City Engineer

1/5/2026


Date



Carl James
Finance Director

1/7/2026

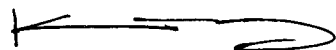
Date



Thomas Hedegard
Deputy City Manager

1/5/2026


Date



Michael King
Assistant City Manager

1.7.2026

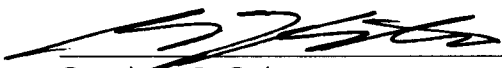
Date



Salvador Navarrete
City Attorney

1-5-2026

Date



Stephen J. Salvatore
City Manager

1.7.26

Date

RESOLUTION NO. 26-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LATHROP TO ACCEPT THE PUBLIC IMPROVEMENTS ASSOCIATED WITH ENCROACHMENT PERMIT NO. 22-128, LOCATED AT 1500 E. MADRUGA ROAD, FROM CUNHA TRUCKING

WHEREAS, on August 12, 2021, the City of Lathrop Planning Division approved Minor Site Plan Review No. 21-48 (MSPR-21-48) for the expansion of the existing trucking facility at 1500 E. Madrugua Road (APN: 241-030-33). The expansion authorizes an additional 11 commercial truck trailer parking spaces and 21 automobile parking spaces (including 1 accessible parking space), and includes expansion of the existing roadway, utility extensions, landscaping, and related site improvements; and

WHEREAS, the conditions of approval associated with MSPR-21-48 required the installation of offsite improvements along Madrugua Road, including but not limited to curb, gutter, sidewalk, landscaping, and utilities. The work was completed under Encroachment Permit No. 22-128 (EP 22-128); and

WHEREAS, Cunha Trucking has submitted a one-year warranty bond equal to 10% of the completed construction costs, along with lien releases for the improvements proposed for acceptance. Upon acceptance, the performance bond will be released and replaced with the warranty bond. The bonds associated with the improvements proposed for acceptance are detailed in Table 1 below:

Table 1

Description	Performance Bond	Warranty Bond
Encroachment Permit 22-128	4459688 \$173,524.00	4459688W \$78,480.00

; and

WHEREAS, staff has inspected the public improvements associated with EP 22-128 listed in the GASB 34 Report and they have been deemed complete and in accordance with the approved plans and specifications by the City Engineer; and

WHEREAS, the one-year warranty bond covers any repairs or replacements that become necessary during the one-year period, beginning with this acceptance, due to defective materials or workmanship in connection with the completed improvements; and

WHEREAS, staff recommends that the City Council accept the public improvements listed in Attachment "C" of the City Manager's Report that accompanied this Resolution; and

WHEREAS, the City's Service Maintenance Capital Facilities District 2019-01 has been established to fund City maintenance and operating costs.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of Lathrop does hereby accept the public improvements associated with Encroachment Permit No. 22-128 located at 1500 E. Madrugá Road from Cunha Trucking.

PASSED AND ADOPTED by the City Council of the City of Lathrop this 12th day of January 2026 by the following vote:

AYES:

NOES:

ABSTAIN:


ABSENT:

Paul Akinjo, Mayor

ATTEST:

Teresa Vargas
City Clerk

APPROVED AS TO FORM:



Salvador Navarrete
City Attorney

PLOTTED: 12/23/2025 2:34 PM PLOTTED BY: Eie
DRAWING: F:\20-2652 Cunha Trucking\Approved Project Docs\Record Drawings\Offsite Plans\Location Exhibit\Cunha Trucking_Location Exhibit.dwg



SITE MAP
CUNHA TRUCKING
LATHROP,
CALIFORNIA

NorthStar
Engineering Group, Inc.
• CIVIL ENGINEERING • SURVEYING • PLANNING •
620 12th Street Modesto, CA 95354
(209) 524-3525 Phone (209) 524-3526 Fax

**CITY OF LATHROP
PROJECT ACCEPTANCE
(GASB34 REPORT)**

Submitted by: Paul Bottini
Project Name: CUNHA TRUCKING FACILITY

<u>Description</u>	<u>Unit</u>	<u>Qty</u>	<u>Unit Price</u>	<u>Amount</u>
Off-site UG Improvements				
15" Storm Drain	LF	23	\$ 260.87	\$ 6,000.00
24" Storm Drain	LF	307	\$ 342.02	105,000.00
60" Storm Drain Manhole	EA	2	\$ 14,000.00	28,000.00
Storm Drain Catch Basin	EA	1	\$ 7,000.00	7,000.00
CTE Storm Drain Stub	EA	1	\$ 7,000.00	7,000.00
8" Septic Sewer	LF	305	\$ 573.77	175,000.00
60" Sewer Manhole	EA	2	\$ 25,000.00	50,000.00
CTE Septic Sewer Stub	EA	1	\$ 7,600.00	7,600.00
6" Water	LF	51	\$ 147.06	7,500.00
8" Water	LF	350	\$ 185.71	65,000.00
Hydrant Lateral W/GV & Hydrant	EA	1	\$ 15,000.00	15,000.00
6"RP Backflow	EA	1	\$ 24,000.00	24,000.00
8" Backflow	EA	1	\$ 28,000.00	28,000.00
6" Gate Valves	EA	3	\$ 3,000.00	9,000.00
8" Gate Valves	EA	1	\$ 4,000.00	4,000.00
4" Water Meter & Vault	EA	1	\$ 18,000.00	18,000.00
				\$ 556,100.00
Off-Site Street Improvements (Topside)				
Demo Asphalt	SF	16883	\$ 0.95	\$ 16,000.00
Install 10" CL II AB	SF	16979	\$ 3.53	60,000.00
Install 6" HMA	SF	16979	\$ 6.48	110,000.00
Driveway	SF	250	\$ 8.00	2,000.00
Sidewalk 6"	SF	2612	\$ 9.38	24,500.00
Curb and Gutter	LF	1007	\$ 9.93	10,000.00
Road stripping	EA	1	\$ 4,800.00	4,800.00
Bollards	EA	2	\$ 200.00	400.00
Signage	EA	4	\$ 250.00	1,000.00
				\$ 228,700.00
Total Offsite Underground and Topside				\$ 784,800.00

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**

ITEM 5.1

ITEM: **PUBLIC HEARING (PUBLISHED NOTICE) TO
CONSIDER AMENDMENTS TO CHAPTER 2.20
YOUTH ADVISORY COMMISSION OF THE
LATHROP MUNICIPAL CODE (LMC)**

RECOMMENDATION: **City Council to Consider the Following:**

- 1. Hold a Public Hearing; and**
- 2. First Reading and Introduction of an Ordinance to Amend the Lathrop Municipal Code (LMC) Section 2.20.020 "Membership", Section 2.20.030 "Term of Office" and Section 2.20.060 "Duties and Responsibilities"**

SUMMARY:

After a review of the goals of the Youth Advisory Commission, an update to the Lathrop Municipal Code (LMC) as it relates to Membership, Term of Office, and the Duties and Responsibilities of the commissioners is recommended by staff. Updates to the LMC Chapter 2.20, specifically to section 2.20.020 "Membership", section 2.20.030 "Term of Office" and section 2.20.060 "Duties and Responsibilities" are recommended to align with the goals of the commission.

BACKGROUND:

Staff has identified the proposed amendments to the LMC Chapter 2.20, specifically to section 2.20.020 "Membership", section 2.20.030 "Term of Office" and section 2.20.060 "Duties and Responsibilities" to more closely align with the goals of the commission.

Each of the proposed amendments to LMC Chapter 2.20 are stated below and are outlined in Exhibit A to Attachment A. (Recommended new verbiage identified with an underline, and any proposed deleted verbiage identified by a strike through.) The proposed changes include the following:

Update Section 2.20.020 "Membership" to no longer require members to be represented by three (3) freshman, three (3) sophomore, three (3) juniors and three (3) seniors, but rather represented by those individuals who are interested, apply and are committed to the commission goals regardless of grade level.

Update Section 2.20.030 "Terms of Office" to incorporate the revised terms recommended by staff and supported by a vote of the members of YAC to eliminate the position of secretary and treasurer because the Parks and Recreation Manager acts as the official secretary for the Youth Advisory Commission and the City Manager acts as the official treasurer for all City affairs.

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ORDINANCE TO AMEND CHAPTER 2.20 OF THE LATHROP MUNICIPAL CODE

Additionally, staff recommends eliminating the need for a liaison between the Youth Advisory Commission and the Parks and Recreation Commission as pertinent information is relayed to the Parks and Recreation Commission through the Secretary.

With regard to the "Duties and Responsibilities" as outlined in LMC 2.20.060, the proposed updates align with the goals of the commission and are as follows:

The Youth Advisory Commission shall have the following duties and responsibilities:

- A. To advise staff on recreational, education, and social service opportunities for those ages 12-17 within the City of Lathrop.
~~To develop recreational, educational, and social service opportunities for those teens no less than 13 and no more than 18 years of age;~~
- B. To act in an advisory capacity to the city council in all matters pertaining to the youth and teen population;
- C. To foster close coordination of services between agencies in the county of San Joaquin providing services to youth and teens and the city to avoid duplication of services;
~~To encourage a sound program to expand youth facilities including development and maintenance;~~
- D. To interpret youth programs to public officials and the general citizenry in order to promote understanding and financial support from public and private sources;
- E. To act in an advisory capacity to the city staff council in making plans for and conducting activities for youth;
- F. To work with staff to develop new recreation programs, activities and special events for those ages 12-17, provided they can be accommodated within the youth development approved budget;
- G. ~~To recommend to the city council the establishment of general policies, rules and regulations, and rates or fees to be charged with respect to the operation of a Lathrop teen program and its services as defined by the annual budget;~~
- H. ~~To consider recommendations and requests originating from any source;~~
- I. ~~To make periodic inspections of the youth facilities;~~
- J. ~~To advise the city council in the acquisition, development, beautification and maintenance of additional facilities for use by youth;~~
- K. ~~To advise the city council in coordinating the youth services with the programs of other organizations and government agencies;~~
- L. ~~To advise in the preparation of the annual teen budget and long range capital improvement programs for youth and teen amenities for submission to the city council;~~

CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ORDINANCE TO AMEND CHAPTER 2.20 OF THE LATHROP MUNICIPAL CODE

Additionally, staff recommends eliminating the need for a liaison between the Youth Advisory Commission and the Parks and Recreation Commission as pertinent information is relayed to the Parks and Recreation Commission through the Secretary.

With regard to the "Duties and Responsibilities" as outlined in LMC 2.20.060, the proposed updates align with the goals of the commission and are as follows:

The Youth Advisory Commission shall have the following duties and responsibilities:

- A. To advise staff on recreational, education, and social service opportunities for those ages 12-17 within the City of Lathrop.
~~To develop recreational, educational, and social service opportunities for those teens no less than 13 and no more than 18 years of age;~~
- B. To act in an advisory capacity to the city council in all matters pertaining to the youth and teen population;
- C. To foster close coordination of services between agencies in the county of San Joaquin providing services to youth and teens and the city to avoid duplication of services;
~~To encourage a sound program to expand youth facilities including development and maintenance;~~
- D. To interpret youth programs to public officials and the general citizenry in order to promote understanding and financial support from public and private sources;
- E. To act in an advisory capacity to the city staff council in making plans for and conducting activities for youth;
- F. To work with staff to develop new recreation programs, activities and special events for those ages 12-17, provided they can be accommodated within the youth development approved budget;
- G. ~~To recommend to the city council the establishment of general policies, rules and regulations, and rates or fees to be charged with respect to the operation of a Lathrop teen program and its services as defined by the annual budget;~~
- H. ~~To consider recommendations and requests originating from any source;~~
- I. ~~To make periodic inspections of the youth facilities;~~
- J. ~~To advise the city council in the acquisition, development, beautification and maintenance of additional facilities for use by youth;~~
- K. ~~To advise the city council in coordinating the youth services with the programs of other organizations and government agencies;~~
- L. ~~To advise in the preparation of the annual teen budget and long range capital improvement programs for youth and teen amenities for submission to the city council;~~

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ORDINANCE TO AMEND CHAPTER 2.20 OF THE LATHROP MUNICIPAL CODE**

RECOMMENDATION:

The proposed amendments of Lathrop Municipal Code Section 2.20.020 "Membership", Section 2.20.030 "Term of Office" and Section 2.20.060 "Duties and Responsibilities" are intended to update and align the LMC with the goals of the commission.

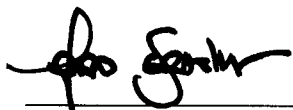
FISCAL IMPACT: None

ATTACHMENTS:

- A. An Ordinance of the City Council of the City of Lathrop to Amend the Lathrop Municipal Code Section 2.20.020 "Membership", Section 2.20.030 "Term of Office" and Section 2.20.060 "Duties and Responsibilities".
 - Exhibit A: Chapter 2.20 Youth Advisory Commission Section 2.20.020 "Membership", Section 2.20.030 "Term of Office" and Section 2.20.060 "Duties and Responsibilities"

**CITY MANAGER'S REPORT
JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING
ORDINANCE TO AMEND CHAPTER 2.20 OF THE LATHROP MUNICIPAL CODE**

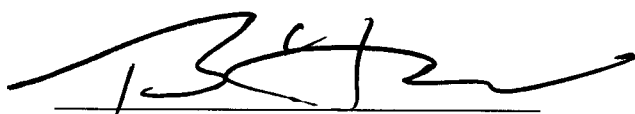
APPROVALS:



Todd Sebastian
Director of Parks and Recreation

12.15.2025

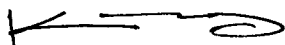
Date



Thomas Hedegard
Deputy City Manager

12/15/2025

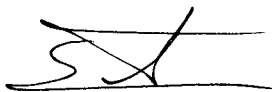
Date



Michael King
Assistant City Manager

12.16.2025

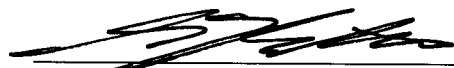
Date



Salvador Navarrete
City Attorney

12.15.2025

Date



Stephen J. Salvatore
City Manager

1.6.26

Date

ORDINANCE NO. 26-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LATHROP TO AMEND THE LATHROP MUNICIPAL CODE SECTION 2.20.020 "MEMBERSHIP", SECTION 2.20.030 "TERM OF OFFICE" AND SECTION 2.20.060 "DUTIES AND RESPONSIBILITIES"

WHEREAS, the City of Lathrop City Council held a duly noticed public hearing at a regular meeting on January 12, 2026, to review and consider this Ordinance; and

WHEREAS, staff identified the proposed amendments to more closely align the Lathrop Municipal Code with the goals of the commission; and

WHEREAS, staff request that the City Council consider amending LMC section 2.20.020 "Membership", section 2.20.030 "Term of Office" and section 2.20.060 "Duties and Responsibilities" as shown in Attachment A, incorporated by reference herein.

NOW, THEREFORE, BE IT ORDAINED that the City Council of the City of Lathrop does hereby approve amending section 2.20.020 "Membership", section 2.20.030 "Term of Office" and section 2.20.060 "Duties and Responsibilities" of the Lathrop Municipal Code as shown in Attachment A, incorporated by reference herein.

Section 1. The Lathrop Municipal Code is hereby amended as shown in Attachment A, attached hereto and incorporated by reference herein.

Section 2. This Ordinance is not intended to and shall not be construed or given effect in a manner that imposes upon the City or any officer or employee thereof a mandatory duty of care toward persons and property within or without the city so as to provide a basis of civil liability for damages, except as otherwise imposed by law.

Section 3. - Severability. If any section, subsequent subdivision, paragraph, sentence, clause or phrase of this Ordinance is for any reason held to be unconstitutional or otherwise invalid, such a decision shall not affect the validity of the remaining portions of this Ordinance. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase of this Ordinance irrespective of the unconstitutionality or invalidity of any section, subsection, subdivision, paragraph, sentence, clause or phrase.

Section 4. - Effective Date. This Ordinance shall take legal effect 30 days from and after the date of its passage.

Section 5. - Publication. Within fifteen days of the adoption of this Ordinance, the City Clerk shall make a copy of this Ordinance to be published in full accordance with Section 36933 of the Government Code.

THIS ORDINANCE was introduced at a Regular Meeting of the City Council of the City of Lathrop on the 12th day of January, and was **PASSED AND ADOPTED** at a regular meeting of the City Council of the City of Lathrop on the ____ day of _____, 2026 by the following vote, to wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

Paul Akinjo, Mayor

ATTEST:

Teresa Vargas, City Clerk

APPROVED AS TO FORM:



Salvador Navarrete, City Attorney

EXHIBIT A

City of Lathrop, CA

§ 2.20.010

§ 2.20.040

CHAPTER 2.20 YOUTH ADVISORY COMMISSION

§ 2.20.010. Established.

The youth advisory commission of the city, hereinafter referred to in this chapter as the "commission," is created.
(Ord. 01-186 § 1)

§ 2.20.020. Membership.

- A. The youth advisory commission shall consist of no less than seven and no more than 13 members represented by ~~three~~ freshman, ~~three~~ sophomores, ~~three~~ juniors, ~~three~~ seniors and one member who can be in any grade level to serve as the chair. Each commissioner shall: (1) be no less than 13 years of age and no more than 18 years of age; and (2) a student in grades 9 through 12, in an approved education program for high school students; and (3) a resident of the city or its sphere of influence, at the time of application for appointment and continuously thereafter.
- B. A quorum shall consist of a majority of the then-appointed members.
- C. The members shall be appointed by the mayor, with the approval of the city council.
(Ord. 01-186 § 1; Ord. 03-224 § 4; Ord. 07-272 § 6; Ord. 16-368 § 1)

§ 2.20.030. Term of office.

- A. Members of the commission shall serve for a period of one year. If a vacancy shall occur otherwise than the expiration of a term, it shall be filled by appointment by the mayor, with the approval of the city council, for the unexpired portion of the term. No person appointed as a commissioner shall be eligible to serve more than three consecutive terms or majority portions thereof.
- B. A member of the commission may be removed from office by the mayor, with the approval by the city council. Whenever a member of the youth advisory commission has missed three meetings in a year of the youth advisory commission, the question of that person's continuance in office must be placed on the agenda for the next regular meeting of the city council. The secretary of the youth advisory commission shall keep an attendance record and inform any member by letter when he or she has two absences.
- C. The youth advisory commission shall select a chair and vice-chair, ~~secretary and treasurer~~ from among its members. The term of these offices shall be one year.
- D. ~~One member of youth advisory commission will act as a liaison to the Lathrop parks and recreation commission. Their responsibilities shall be to attend parks and recreation commission meetings; acting as a conduit for information between the two commissions. He or she will provide a report monthly to the YAC members on issues addressed by the parks and recreation commission.~~
- (Ord. 01-186 § 1; Ord. 07-272 § 7; Ord. 16-368 § 1)

§ 2.20.040. Meetings.

- A. The youth advisory commission shall schedule at least one meeting per month at such time and place as it may fix by resolution. Special meetings of the commission may be called at any time by the chairperson or by any three or more members of the commission upon 24 hour personal notice being given to all members of the commission. If personal notice cannot be given, written notice must be mailed to such members at least five days prior to the meeting. Notice shall be posted at the city offices at least 24 hours prior to a special meeting.
- B. A majority of members shall constitute a quorum at any regular or special meeting of the commission.
- (Ord. 01-186 § 1)

§ 2.20.050. Rules and records.

The youth advisory commission shall adopt rules for the transaction of business and shall keep a record of its resolutions, transactions, correspondence, findings and determinations, which shall be public record. The commission shall render such reports to the city council as may be required.

(Ord. 01-186 § 1)

§ 2.20.060. Duties and responsibilities.

The youth advisory commission shall have the following duties and responsibilities:

- ~~A. A. To advise staff on recreational, education, and social service opportunities for those ages 12-17 within the City of Lathrop. To develop recreational, educational, and social service opportunities for those teens no less than 13 and no more than 18 years of age;~~
- ~~B. B. To act in an advisory capacity to the city council in all matters pertaining to the youth and teen population;~~
- ~~C. C. To encourage a sound program to expand youth facilities including development and maintenance;~~
- ~~D. D. To foster close coordination of services between agencies in the county of San Joaquin providing services to youth and teens and the city to avoid duplication of services;~~
- ~~E. E. To interpret youth programs to public officials and the general citizenry in order to promote understanding and financial support from public and private sources;~~
- ~~F. F. To act in an advisory capacity to the city council/city staff in making plans for and conducting activities for youth;~~
- ~~G. G. To recommend to the city council the establishment of general policies, rules and regulations, and rates or fees to be charged with respect to the operation of a Lathrop teen program and its services as defined by the annual budget;~~
- ~~H. H. To consider recommendations and requests originating from any source;~~
- ~~I. I. To make periodic inspections of the youth facilities;~~
- ~~J. J. To advise the city council in the acquisition, development, beautification and maintenance of~~

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additional facilities for use by youth;

- K. ~~To advise the city council in coordinating the youth services with the programs of other organizations and government agencies;~~
- L. ~~To advise in the preparation of the annual teen budget and long range capital improvement programs for youth and teen amenities for submission to the city council;~~
- M. ~~To advise the city council on the problems of the development of facilities, programs and improved services for youth;~~
- N. ~~To formulate policies on youth services for approval by the city council, including, to the extent possible, agreements with other governing bodies for the best possible joint use of youth and other facilities;~~
- O. ~~To consider and make recommendations to the city council on all requests for permanent facilities to be erected in conjunction with senior activities;~~
- P. ~~To recommend to the city council policies, rules and regulations relating to the conduct of youth facilities and activities and rates or fees to be charged for the use of youth facilities or programs;~~
- Q. ~~To perform such other duties as may be requested from time to time by the city council;~~
- R. ~~The city council shall not receive recommendations from the commission on the same subject matter within a six month period without significant additional information and/or without a majority vote of the commission;~~
- S. ~~To annually hold a joint meeting with the parks and recreation commission to discuss goals for the coming year.~~

F. To work with staff to develop new recreation programs, activities and special events for those ages 12-17, provided they can be accommodated within the youth development approved budget;

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G. To approve the disbursement and/or expenditure of funds identified as commission funds in the youth development budget provided that these expenditures shall in all instances follow the city's purchasing system as defined in LMC Section 2.36.050(A) and (B) for purchases up to \$4,999 requiring the signature of the appropriate department head; and expenditures above \$5,000 requiring the approval and signature of the city manager; and further, provided, that such expenditures shall also be to carry on programs for those ages 12-17, while allowing the commission to make non-teen programming-related financial discretionary expenditures of up to \$3,000 annually, provided they can be accommodated within the youth development approved budget, and not to make physical changes to any city property.

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H. To perform such other duties as may be requested from time to time by the city council.
(Ord. 01-186 § 1; Ord. 03-224 § 5)

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ITEM 5.2

CITY MANAGER'S REPORT JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

ITEM: REVIEW AND CONSIDER RED-LIGHT SAFETY CAMERAS AT THE INTERSECTIONS OF RIVER ISLANDS PARKWAY & MCKEE BOULEVARD, LATHROP ROAD & 5TH STREET/WOODFIELD DRIVE, AND GOLDEN VALLEY PARKWAY & SPARTAN WAY

RECOMMENDATION: Council to Consider Red-Light Safety Cameras at the Intersections of River Islands Parkway & Mckee Boulevard, Lathrop Road & 5th Street/Woodfield Drive, and Golden Valley Parkway & Spartan Way

SUMMARY:

During the October 13, 2025 Council Meeting, Council Member Dresser made a referral requesting that staff investigate red-light safety cameras at multiple intersections throughout the City. In addition, staff have received complaints from residents and reports from the Lathrop Police Department (LPD) regarding frequent red-light-running at numerous intersections throughout the City.

Red-light-running remains a leading cause of severe right-angle ("T-bone") crashes at signalized intersections nationally, resulting in hundreds of deaths and tens of thousands of injuries each year. Studies by the Insurance Institute for Highway Safety (IIHS), Federal Highway Administration (FHWA), and other safety organizations show that automated red-light enforcement can reduce red-light violations by roughly 40% and fatal red-light-running crashes in large U.S. cities by approximately 21–24%.

Staff recommends that Council consider the installation of red-light safety cameras at the intersections of River Islands Parkway & Mckee Boulevard, Lathrop Road & 5th Street/Woodfield Drive, and Golden Valley Parkway & Spartan Way to reduce violations and increase safety.

BACKGROUND:

Staff identified Verra Mobility, a leading company in automated red-light enforcement technology, as the only available comprehensive solution for automated enforcement. Verra Mobility assisted staff with identifying intersections where automated red-light enforcement may be most effective and the intersections of River Islands Parkway & Mckee Boulevard, Lathrop Road & 5th Street/Woodfield Drive, and Golden Valley Parkway & Spartan Way were selected.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**REVIEW AND CONSIDER RED-LIGHT SAFETY CAMERAS AT THE INTERSECTIONS OF RIVER ISLANDS PARKWAY & MCKEE BOULEVARD, LATHROP ROAD & 5TH STREET/WOODFIELD DRIVE, AND GOLDEN VALLEY PARKWAY & SPARTAN WAY**

The primary purpose of automated red-light enforcement is to improve intersection safety, not to generate revenue. Key objectives include:

- Reducing the frequency and severity of right-angle and other red-light-running crashes that tend to cause serious injuries and fatalities.
- Improving driver compliance with traffic signals citywide through deterrence and predictable enforcement, including a spillover effect at non-camera intersections.

National and regional evaluations provide a strong evidence base for automated red-light enforcement:

- An IIHS-cited study found that installation of red-light cameras reduced red-light violations by about 40% at treated intersections.
- Large-city studies report about a 21–24% reduction in fatal red-light-running crashes after implementing red light camera programs.
- FHWA research has documented roughly a 25% decrease in total right-angle crashes and a 16% reduction in injury right-angle crashes at intersections with red light cameras, though some locations see modest increases in rear-end crashes, which are generally less severe.

Automated red-light enforcement cameras are typically placed at the approach to the intersection and are connected to the traffic signal cabinet to determine when the traffic signal transitions from yellow to red. The traffic signal cabinet connection is on-way, meaning that the traffic signal operation and timing cannot be altered by the enforcement camera.

The State of California adopted Senate Bill 720 (SB 720) on January 1, 2026, which regulates the use of automated red-light enforcement cameras. SB 720 creates an optional "Safer Streets Program" that lets cities and counties run red light camera systems under a new, less punitive framework: violations are treated as civil, not criminal, with tickets issued to the vehicle owner based on the license plate rather than to the identified driver, and fines are capped at about \$100 including fees, instead of the previous system where tickets could exceed \$500, add points to a driver's record, and were processed through the court system. The bill requires strong privacy protections by focusing cameras on the rear plate and limiting use and retention of images, and it directs any revenue specifically to road safety and street improvement projects rather than general funds. In addition, the revenue for the contractor providing and maintaining the automated red-light enforcement camera system is limited to a flat rate of \$5250 with the remaining revenue from violations going to the City.

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING**REVIEW AND CONSIDER RED-LIGHT SAFETY CAMERAS AT THE INTERSECTIONS OF RIVER ISLANDS PARKWAY & MCKEE BOULEVARD, LATHROP ROAD & 5TH STREET/WOODFIELD DRIVE, AND GOLDEN VALLEY PARKWAY & SPARTAN WAY**

The expected monthly revenue for each intersection is as follows:

- River Islands Parkway & Mckee Boulevard: \$10,540
- Lathrop Road & 5th Street/Woodfield Drive: \$7,500
- Golden Valley Parkway & Spartan Way: \$7,640

To participate in SB 720, the City must adopt an automated traffic enforcement system impact report at a public hearing before implementing the automated red-light enforcement cameras. The system impact report must be made available for public review at least 30 days before the public hearing and the City must announce the implementation 30 days in advance of operation, in addition to a 60 day no fine warning period.

Staff recommends that Council consider the installation of red-light safety cameras at the intersections of River Islands Parkway & Mckee Boulevard, Lathrop Road & 5th Street/Woodfield Drive, and Golden Valley Parkway & Spartan Way to reduce violations and increase safety. If Council decides to proceed, staff will return with the automated traffic enforcement system impact report and detailed implementation information for final approval of a contract.

REASON FOR RECOMMENDATION:

Red-light-running remains a leading cause of severe right-angle ("T-bone") crashes at signalized intersections nationally, resulting in hundreds of deaths and tens of thousands of injuries each year. Studies by the Insurance Institute for Highway Safety (IIHS), Federal Highway Administration (FHWA), and other safety organizations show that automated red-light enforcement can reduce red-light violations by roughly 40% and fatal red-light-running crashes in large U.S. cities by approximately 21–24%.

FISCAL IMPACT:

No fiscal impacts associated with this item. Future fiscal impacts will be addressed based on council direction.

ATTACHMENTS:

- A. Intersection Feasibility Report

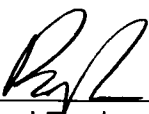
CITY MANAGER'S REPORT

PAGE 4

JANUARY 12, 2026 CITY COUNCIL REGULAR MEETING

REVIEW AND CONSIDER RED-LIGHT SAFETY CAMERAS AT THE INTERSECTIONS OF RIVER ISLANDS PARKWAY & MCKEE BOULEVARD, LATHROP ROAD & 5TH STREET/WOODFIELD DRIVE, AND GOLDEN VALLEY PARKWAY & SPARTAN WAY

APPROVALS:



Brad Taylor
City Engineer

1/6/2026
Date



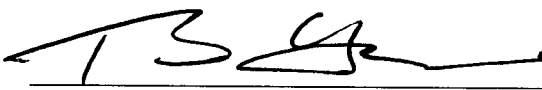
Tony Fernandes
Information Systems Director

1-6-2026
Date



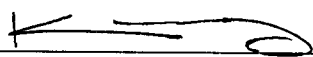
Stephen Sealy
Chief of Police

1/6/2026
Date



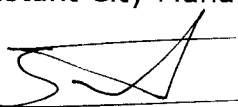
Thomas Hedegard
Deputy City Manager

1/7/2026
Date



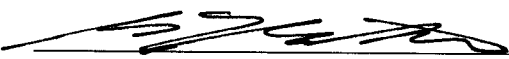
Michael King
Assistant City Manager

1-7-2026
Date



Salvador Navarrete
City Attorney

1-7-2026
Date



Stephen J. Salvatore
City Manager

1-8-26
Date

Attachment A

Intersection	Average Daily Traffic	Rating	Expected Total Revenue	Expected City Revenue (less \$5250/mo)
NB GOLDEN VALLEY PKWY @ SPARTAN WAY	9311	4.17	\$9,382.50	\$4,132.50
WB SPARTAN WAY @ GOLDEN VALLEY PKWY	9311	3.89	\$8,752.50	\$3,502.50
EB RIVER ISLANDS PKWY @ MCKEE BLVD	13349	4.53	\$10,192.50	\$4,942.50
WB RIVER ISLANDS PKWY @ MCKEE BLVD	13349	4.82	\$10,845.00	\$5,595.00
EB W LATHROP @ 5TH ST / WOODFIELD DR	14938	3.35	\$7,537.50	\$2,287.50
WB W LATHROP @ 5TH ST / WOODFIELD DR	14938	4.65	\$10,462.50	\$5,212.50
EB E LOUISE AVE @ S HARLEN RD	17400	2.08	\$4,680.00	-\$570.00
WB E LOUISE AVE @ S HARLAN RD	17400	3.15	\$7,087.50	\$1,837.50
EB W LATHROP RD @ S HARLAN RD	15596	3.67	\$8,257.50	\$3,007.50
WB W LATHROP RD @ S HARLAN RD	15596	3.63	\$8,167.50	\$2,917.50

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